



July 12, 2006

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Director Santa Margarita Water District

**JOYCE CROSTHWAITE** 

Executive Officer

**TO:** Local Agency Formation Commission

**FROM:** Executive Officer

Assistant Executive Officer

**SUBJECT:** Sphere of Influence Updates for:

Rossmoor Community Services District (SOI 05-33)

City of Seal Beach (SOI 05-32) City of Los Alamitos (SOI 05-31)

#### **BACKGROUND**

The subject sphere of influence updates were originally scheduled for Commission consideration on September 14, 2005, but were continued for a period of six months pending completion of the Huntington Beach Municipal Service Review (MSR). At the March 8, 2005 hearing, the sphere updates were again continued to allow for the Rossmoor Planning Committee to complete a study of governance options for the unincorporated Rossmoor community.

#### **ANALYSIS**

Staff's analysis and recommendations regarding all three agency spheres remain unchanged from the previous hearing. Attached to this report are copies of the March 8, 2005 staff reports which provide a detailed analysis of each of the subject agencies (Attachments 1, 2 and 3). Our findings and recommendations are summarized below:

#### Rossmoor Community Services District Sphere of Influence

The Rossmoor Community Services District (CSD) provides street lighting and sweeping, parks and recreation services, median landscaping and park tree maintenance to the 985-acre unincorporated community of Rossmoor. The community is largely built-out (current population is 11,642) and only limited growth is anticipated. The Rossmoor CSD sphere of influence was reviewed by LAFCO once previously in July 1989. At that time the Commission designated a sphere of influence coterminous with the District's existing boundaries. Staff's recommendation is the reaffirm the District's existing sphere of influence.

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#### City of Seal Beach Sphere of Influence

The City of Seal Beach, incorporated in 1915, has a current population of 27,210 residents. The City is bordered to the north by the unincorporated community of Rossmoor and to the south by the unincorporated community of Sunset Beach. Largely built-out, the Center for Demographic Research at California State University, Fullerton, projects an increase of 2,043 residents within Seal Beach by year 2020.

The City's sphere of influence was originally adopted in 1974. In July 1976, LAFCO approved an updated sphere of influence to reflect an 818-acre annexation which was approved earlier that year. Subsequent sphere of influence reviews in 1983 and 1989 reaffirmed a coterminous sphere for the City of Seal Beach.

The Rossmoor Planning Committee included annexation to the City of Seal Beach as one of four potential governance options evaluated in their June 8, 2006 Rossmoor Governance Options report (see Attachment 4). An independent peer review of the Rossmoor report concluded that annexation of Rossmoor to either the City of Seal Beach or the City of Los Alamitos is financially feasible (see Attachment 5). The City of Seal Beach has voiced strong opposition to including Rossmoor within their City's sphere. Staff recommends that Rossmoor not be included in the City of Seal Beach sphere and that the City's current sphere of influence be reaffirmed.

#### City of Los Alamitos

The City of Los Alamitos is bordered to the south by the City of Seal Beach, to the north by the City of Cypress, and to the east by the Cities of Garden Grove and Cypress. The City of Los Alamitos surrounds the unincorporated community of Rossmoor on three sides. Incorporated in 1960, the City is largely built-out and has a population of approximately 12,340 residents. The City is expected to grow to 13,490 by the year 2020.

The City of Los Alamitos sphere of influence was initially adopted in 1974 as coterminous with existing City boundaries. In subsequent sphere reviews in 1981 and 1989, LAFCO again reaffirmed the City's sphere of influence as coterminous with the City's existing jurisdictional boundaries. The City virtually surrounds the unincorporated community of Rossmoor on the north, east and west with primary access to Rossmoor through the City of Los Alamitos from either Seal Beach Boulevard/Los Alamitos Boulevard or Katella Avenue. Both the City of Los Alamitos and Rossmoor share water and sewer providers and are located in the same school district. Staff recommends that the City of Los

RE: SOI Updates – Rossmoor CSD, City of Seal Beach, City of Los Alamitos Page 3 of 4

Alamitos sphere of influence be amended to include the unincorporated Rossmoor community.

#### **CEQA**

LAFCO is the lead agency under CEQA (California Environmental Quality Act) for sphere of influence reviews. Staff completed initial studies for each project, and it was determined that adoption of the sphere of influence for the Rossmoor Community Services District, the City of Seal Beach and the City of Los Alamitos would not have a significant effect upon the environment as determined by CEQA. Accordingly, Draft Negative Declarations were prepared and noticed in accordance with existing guidelines for implementing CEQA. No comments on the Draft Negative Declarations have been received.

#### **COMMENT LETTER**

The City of Seal Beach submitted a June 26, 2006 comment letter (Attachment 6) expressing support for a sphere of influence coterminous with the existing City of Seal Beach jurisdictional boundary.

#### STAFF RECOMMENDATIONS

Staff recommends that the Commission take the following actions. (Adopting resolutions from previous staff reports will be updated with the current date should the Commission take action at today's meeting.)

Rossmoor Community Services District (Attachment 1)

- 1. Adopt the Negative Declaration prepared for the proposed sphere of influence update.
- 2. Adopt the Statement of Determinations as required by Government Code Section 56425.
- 3. Adopt the resolution reaffirming the existing Rossmoor Community Services District sphere of influence.

#### City of Seal Beach (Attachment 2)

- 1. Adopt the Negative Declaration prepared for the proposed sphere of influence update.
- 2. Adopt the Statement of Determinations as required by Government Code Section 56425.
- 3. Adopt the resolution reaffirming the existing Rossmoor Community Services District sphere of influence.

#### *City of Los Alamitos (Attachment 3)*

1. Adopt the Negative Declaration prepared for the proposed sphere of influence update.

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- 2. Adopt the Statement of Determinations as required by Government Code Section 56425.
- 3. Adopt the resolution amending the City of Los Alamitos sphere of influence to include the unincorporated community of Rossmoor within the City's sphere.
- 4. Direct LAFCO staff to coordinate efforts with Orange County, Los Angeles County, Los Angeles County LAFCO and the City of Long Beach to resolve the Stansbury Park boundary issue.

Respectfully submitted,	
JOYCE CROSTHWAITE	BOB ALDRICH

#### Attachments:

- 1. Rossmoor Community Services District SOI Staff Report March 8, 2006
- 2. City of Seal Beach SOI Staff Report March 8, 2006
- 3. City of Los Alamitos SOI Staff Report March 8, 2006
- 4. Rossmoor Planning Committee Governance Options Report
- 5. GST Consulting Peer Review Report
- 6. Comment Letter City of Seal Beach (June 26, 2006)

## Attachment 1 -

# Rossmoor CSD Sphere of Influence Staff Report from March 8, 2006





CHAIR
SUSAN WILSON
Representative of

General Public

VICE CHAIR ROBERT BOUER Councilmember City of Laguna Woods

BILL CAMPBELL Supervisor Third District

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Director Santa Margarita Water District

JOYCE CROSTHWAITE Executive Officer March 8, 2006

**TO:** Local Agency Formation Commission

**FROM:** Executive Officer

**Assistant Executive Officer** 

**SUBJECT:** Rossmoor Community Services District Sphere of

Influence Update (SOI 05-33)

#### **INTRODUCTION**

In 1997, the State Legislature convened a special commission to study and make recommendations to address California's rapidly accelerating growth. The Commission on Local Governance for the 21st Century focused their energies on ways to empower the already existing LAFCOs originally established in 1963. The Commission's final report, *Growth within Bounds*, recommended various changes to local land use laws and LAFCO statutes. Many of these changes were incorporated into the Cortese-Knox-Hertzberg Reorganization Act of 2000 that provided LAFCO with new responsibilities.

One of the major new responsibilities of LAFCO is to conduct comprehensive, regional studies of municipal services (Municipal Service Reviews or MSRs) every five years in conjunction with reviews of city and district spheres of influence (Government Code Sections 56425 and 56530). Spheres of Influence (SOIs) are boundaries, determined by LAFCO, which define the ultimate service area for cities and special districts. An MSR was prepared for the Rossmoor Community Services District in March 2005. This report addresses the required SOI update for the District.

#### **BACKGROUND**

Rossmoor is an unincorporated County island comprising approximately 985 acres located between the Cities of Los Alamitos and Seal Beach in northwest Orange County (*see Exhibit A – Location Map*). One of the area's first "planned communities," Rossmoor is almost entirely residential. Almost all of the single-family detached homes were built during the 1950s.

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The community consists almost exclusively of ranch style homes on tree-lined streets. A red brick "signature wall" surrounds the community, although the community is not gated. The current population in Rossmoor, according to the Center for Demographic Research at California State University, Fullerton, is approximately 10,560. The community is built-out and only limited growth is anticipated; population projections indicate a population of 11,467 residing within Rossmoor in year 2020.

Over the years, beginning in 1974, the fate of Rossmoor has been the focus of considerable debate before LAFCO. LAFCO files indicate that Rossmoor has been the subject of several annexation attempts by the City of Los Alamitos, and one attempt at incorporation as a separate city. Each annexation and incorporation attempt failed after an election. Rossmoor, along with Sunset Beach, remain two of the last unincorporated islands in Orange County that are not within a designated city sphere of influence.

#### Rossmoor County Service Area No. 21

Prior to 1985, Rossmoor received most of its services from the County of Orange (County Service Area No. 21), with the exception of water and sewer service. The Southern California Water Company (So Cal Water), a private water purveyor, provides water to the Rossmoor community, and the Rossmoor/Los Alamitos Area Sewer District provides sewer service. In February 1985, due to budget constraints, the Orange County Board of Supervisors adopted a policy that Special Augmentation Funds would no longer be allocated to County Service Areas.

The Rossmoor Homeowners Association requested that County Service Area No. 21 be reorganized as the Rossmoor Community Services District in order to provide and finance certain services. The Rossmoor Community Services District (CSD) was officially formed on November 24, 1986 as a result of Orange County District Reorganization No. 66, which included the dissolution of the Rossmoor County Service Area No. 21. The CSD provides street lighting and sweeping, parks and recreation, median landscaping and park tree maintenance, and maintenance of the community's perimeter wall.

Previous SOI Determinations for the Rossmoor Community Services District The Rossmoor Community Services District sphere of influence was reviewed in July 1989. At that time, the Commission designated a sphere of influence

coterminous with the District's existing boundaries (see Exhibit B – Existing Sphere of Influence Map).

#### **ANALYSIS**

In determining a sphere of influence for an agency, Government Code 56425 requires LAFCO to consider each of the following factors:

- The present and planned land uses in the area
- The present and probable need for public facilities and services in the area
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
- The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency

Each of these factors is evaluated below for your Commission's consideration.

#### Present and Planned Land Uses in the Area

The Rossmoor Community Services District serves the unincorporated community of Rossmoor exclusively. Rossmoor is fully developed, with 97 percent of the land devoted to residential use. The Center for Demographic Research at California State University, Fullerton, projects that the existing Rossmoor population of 10,560 will increase to 11,467 in year 2020. Some of this growth may be the result of the ongoing remodeling and expansion of many of the original 1950s era homes in Rossmoor to accommodate larger and/or extended families.

#### Present and Probable Need for Public Facilities and Services

The community of Rossmoor is built-out. The current population is 10,560 and is projected to be 11,467 by year 2020. With such limited growth, the extension of existing infrastructure and services currently provided by the CSD is expected to be minimal.

#### Present Capacity of Public Facilities and Adequacy of Public Services

In the March 2005 Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

#### Social and Economic Communities of Interest

The unincorporated community of Rossmoor is bordered by both the City of Los Alamitos and the City of Seal Beach. The City of Los Alamitos borders Rossmoor

on the north, east and west. Rossmoor is largely separated from the majority of Seal Beach by the San Diego (405) freeway. However, there are residential uses and three shopping centers, near the intersection of Rossmoor Center Drive and Seal Beach Boulevard, that are located within the City of Seal Beach and are immediately adjacent to the southeast portion the Rossmoor community. Annexation of this territory by the City of Seal Beach, which occurred in 1966, remains a sensitive issue for many Rossmoor residents.

Rossmoor has traditionally maintained a separate identity from its surrounding cities. Rossmoor's perimeter "signature" wall and the formation of a Community Services District to provide local services to Rossmoor residents reflect Rossmoor's independence.

Both the City of Los Alamitos and Rossmoor receive water and sewer service through the same agencies, Southern California Water Company and Rossmoor/Los Alamitos Area Sewer District, respectively.

#### CONCLUSIONS

Staff recommends reaffirmation of the existing coterminous sphere of influence for the Rossmoor CSD.

#### Other Options Not Precluded

As indicated in the March 2005 Municipal Service Review (MSR) for this area, many of the service providers in the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach area are under significant fiscal stress. Collectively, the area is served by a multiplicity of service providers, including among others, four police agencies, three water agencies, three sewer districts, two animal control agencies and four agencies providing park and recreation services.

In the months following the MSR, residents and agencies have started to explore a variety of long-term governance options for their communities. Reaffirming a coterminous sphere of influence for the Rossmoor Community Services District does not preclude implementation of any future alternative. Spheres can be changed and, in fact, are required by state law to be reviewed at least once every five years to evaluate whether new circumstances warrant a sphere change.

#### **CEQA**

LAFCO is the lead agency under CEQA (California Environmental Quality Act) for sphere of influence reviews. Staff completed an initial study, and it was determined that adoption of the sphere of influence for the Rossmoor Community Services District would not have a significant effect on the

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environment as determined by CEQA. Accordingly, a Draft Negative Declaration was prepared and noticed in accordance with existing guidelines for implementing CEQA. No comments on the Draft Negative Declaration have been received.

#### STAFF RECOMMENDATION

Staff recommends that the Commission take the following actions:

- 1. Adopt the Negative Declaration (*Attachment 1*) prepared for the proposed sphere of influence update.
- 2. Adopt the Statement of Determinations as required by Government Code Section 56425 (*Attachment* 2)
- 3. Adopt the resolution (*Attachment 3*) reaffirming the existing Rossmoor Community Services District sphere of influence as shown on *Exhibit B*.

Respectfully submitted,	
JOYCE CROSTHWAITE	BOB ALDRICH

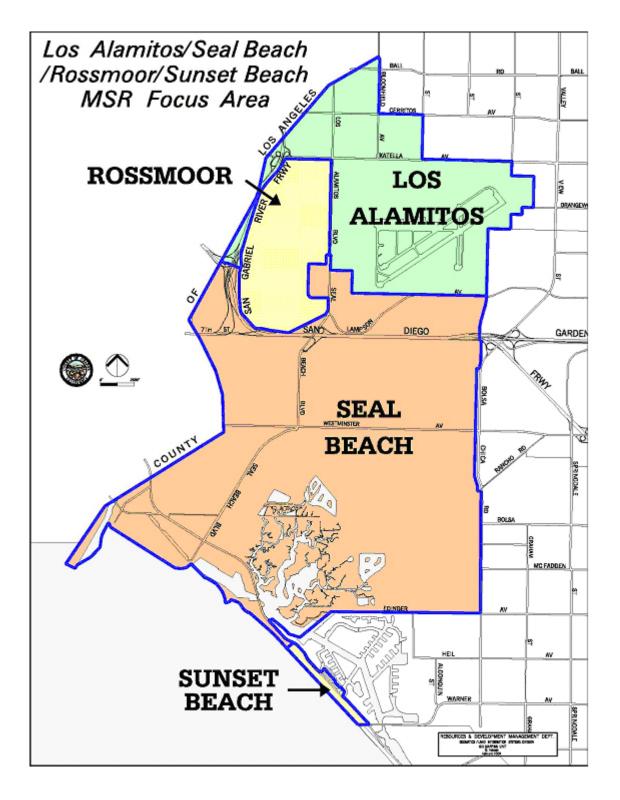
#### Exhibits:

- A. Location Map
- B. Rossmoor CSD Sphere of Influence Map

#### Attachments:

- 1. Draft Negative Declaration
- 2. Statement of Determinations
- 3. Adopting Resolution

Comment Letters









Rossmoor Community Services District Sphere of Influence Map

3/08/06

SOI Originally Adopted: 07/19/89 Last Reviewed: 07/19/89

#### ENVIRONMENTAL CHECKLIST FORM

1. Project Title: Rossmoor Community Services District Sphere of Influence

Update

2. Lead Agency Name and Address:

Orange County LAFCO

12 Civic Center Plaza, Room 235

Santa Ana, CA 92701

3. Contact Person and Phone Number: Bob Aldrich, Assistant Executive Officer, (714) 834-2556

4. Project Location: The Rossmoor Community Services District serves the unincorporated community of Rossmoor. Rossmoor is located in northwest Orange County, and is bordered to the north, east and west by the City of Los Alamitos. The City of Long Beach is located to the west, and the City of Seal Beach to the south.

5. Project Sponsor's Name and Address:

Orange County LAFCO

12 Civic Center Plaza, Room 235

Santa Ana, CA 92701

6. General Plan Designation: Suburban Residential

7. Zoning: Single and Multi-family Residential, Open Space

8. Description of Project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheet(s) if necessary.)

Pursuant to California Code of Regulations, Title 14, Section 15074, the Commission will review and consider the adoption of a negative declaration relating to the proposed update of the Rossmoor Community Services District's sphere of influence. The proposed sphere of influence boundary for the Rossmoor Community Services District is coterminous with the existing district boundary. The negative declaration confirms the findings of the associated initial study that the proposed project (the Rossmoor Community Services District sphere of influence update) will not have a significant effect on the environment.

In accordance with Government Code Section 56425 and the LAFCO Sphere of Influence Policy, LAFCO is required to review an agency's sphere of influence every five years in conjunction with conducting municipal service reviews. LAFCO is required to establish a sphere of influence to identify probable future boundaries and service areas of all cities and special districts.

LAFCO is recommending that the Rossmoor Community Services District sphere of influence be reaffirmed as conterminous with the district's current boundary.

9. Surrounding Land Uses and Setting:

The Rossmoor Community Services District serves the built-out, residential community of Rossmoor. One of the area's first "planned communities," Rossmoor was almost entirely built during the 1950's. The majority of the homes are single family detached. The surrounding Cities of Seal Beach and Los Alamitos are also largely built-out. There are two federal defense facilities located nearby – the United States Naval Weapons Station located in Seal Beach and the Joint Forces Training Center in

the City of Los Alamitos. The Naval Weapons Station is 5,256 acres in size and is nearly twice the size of the remaining portion of Seal Beach. Rossmoor and its surrounding areas are largely urbanized and offer only limited growth potential, unless one or both of the federal defense facilities are closed in the future. Neither facility is currently listed for realignment or closure by the Federal Base Realignment and Closure Commission (BRAC).

10. Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement):

None

#### **ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:**

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

~	Aesthetics	~	Agriculture Resources	~	Air Quality
~	Biological Resources	~	Cultural Resources	~	Geology / Soils
~	Hazards & Hazardous Materials	~	Hydrology / Water Quality	~	Land Use / Planning
~	Mineral Resources	~	Noise	~	Population / Housing
~	Public Services	~	Recreation	~	Transportation / Traffic
~	Utilities / Service Systems	~	Mandatory Findings of Significance		

#### **DETERMINATION** (To be completed by the Lead Agency):

On the basis of this initial evaluation:

- ✓ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ~ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant

to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

	February 6, 2005
Signature	Date
Joyce Crosthwaite, Executive Officer	Orange County LAFCO
Printed Name	For

#### **EVALUATION OF ENVIRONMENTAL IMPACTS:**

The following is the environmental checklist form presented in Appendix G of the CEQA Guidelines. The checklist form is used to describe the potential environmental impacts of the proposed project with respect to 17 factors prescribed for consideration. For this checklist, the following four designations are used:

- Potentially Significant Impact: An impact that could be significant, and for which no mitigation has been identified. If any potentially significant impacts are identified, an EIR must be prepared.
- Potentially Significant Unless Mitigation Incorporated: An impact that requires mitigation to reduce the impact to a less-than-significant level.
- Less-Than-Significant Impact: Any impact that would not be considered significant under CEQA relative to existing standards.
- No Impact: The project would not have any impact.

Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
I. AESTHETICS. Would the project:				
a) Have a substantial adverse effect on a scenic vista?	~	~	~	✓
b) Substantially damage scenic resources, including, but not limited to, tress, rock outcroppings, and historic buildings within a state scenic highway?	~	~	~	✓
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	~	~	~	✓
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	~	~	~	✓

Discussion: The project will not result in any significant direct or cumulative impacts on the aesthetics of the project area. This includes not adversely affecting scenic vistas, damaging scenic resources, degrading visual character, or creating new sources of light.

II. AGRICULTURE RESOURCES. In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:

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Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	~	~	~	✓
<ul><li>b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?</li></ul>	~	~	~	✓
c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	~	~	~	✓
Discussion: The proposed project will not cause any specific new developments to be undertaken and will not result in any significant direct or cumulative impacts on the agricultural resources of the project area.				
III. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	~	~	~	✓
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	~	~	~	✓
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	~	~	~	✓
d) Expose sensitive receptors to substantial pollutant concentrations?	~	~	~	✓

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Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
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d) Create objectionable odors affecting a substantial number of people?

Discussion: The project will not result in any significant direct or cumulative impacts on the air quality within the project area. This includes not violating air quality standards or creating objectionable odors.

#### IV. BIOLOGICAL RESOURCES. Would the project:

- a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?
- b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?
- c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?
- d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?
- e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

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Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
e) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	~	~	~	✓
Discussion: The proposed project will not cause any specific new developments to be built. The project will not result in any significant direct or cumulative impacts on the biological resources of the project area and this includes adversely affecting endangered, threatened, or rare species and their habitat.				
V. CULTURAL RESOURCES. Would the project:				
<ul> <li>a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?</li> </ul>	~	~	~	✓
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?	~	~	~	✓
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	~	~	~	✓
d) Disturb any human remains, including those interred outside of formal cemeteries?	~	~	~	✓
Discussion: The project will not result in any significant direct or cumulative impacts on the cultural resources of the project area.				
VI. GEOLOGY AND SOILS Would the project:				
<ul> <li>a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death involving:</li> </ul>	~	~	~	✓

		ATTACHMENT 1			
Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	~	~	~	<b>√</b>	
ii) Strong seismic ground shaking?	~	~	~	✓	
iii) Seismic-related ground failure, including liquefaction?	~	~	~	✓	
iv) Landslides?	~	~	~	✓	
b) Result in substantial soil erosion or the loss of topsoil?	~	~	~	✓	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	~	~	~	✓	
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	~	~	~	✓	
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	~	~	~	✓	
Discussion: The sphere of influence update will not result in any significant direct or cumulative					

D not result in any significant direct or cumulative impacts on the geology or soils of the project area including contributing to soil erosion or exposing individuals or structures to loss, such as injury or death, resulting from earthquakes or landslides

VII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or

ATTACHMENT 1 Less Than **Issues:** Significant Potentially With Less Than Significant Mitigation Significant No Impact Impact Incorporated Impact b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? Discussion: Updating the agency's sphere of influence will not result in any significant direct or cumulative impacts with respect to creating hazards or hazardous materials within the project area. VIII. HYDROLOGY AND WATER QUALITY. Would the project:

discharge requirements?

a) Violate any water quality standards or waste

Less Than Significant

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	Potentially Significant Impact	With Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	~	~	~	✓
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation onor off-site?	~	~	~	✓
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	~	~	~	✓
e) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	~	~	~	✓
f) Otherwise substantially degrade water quality?	~	~	~	✓
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	~	~	~	✓
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	~	~	~	✓
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	~	~	~	✓

Issues:		Less Than Significant		
	Potentially Significant Impact	With Mitigation Incorporated	Less Than Significant Impact	No Impact
j) Inundation by seiche, tsunami, or mudflow?	~	~	~	<b>√</b>
Discussion: Adoption of an updated sphere of influence for the Rossmoor Community Services District will not result in a depletion of groundwater supplies, alteration of existing drainage patterns, creation of runoff water, exposure of people to a				

#### IX. LAND USE AND PLANNING. Would the project:

deficit in aquifer volume.

significant risk of flooding nor will it result in a net

- a) Physically divide an established community?  $\sim$   $\sim$
- b) Conflict with any applicable land use plan, policy,
  or regulation of an agency with jurisdiction over the
  project (including, but not limited to the general
  plan, specific plan, local coastal program, or zoning
  ordinance) adopted for the purpose of avoiding or
  mitigating an environmental effect?
- c) Conflict with any applicable habitat conservation  $\sim$   $\sim$   $\sim$   $\sim$   $\sim$  plan or natural community conservation plan?

Discussion: Land use planning for the unincorporated community of Rossmoor is the responsibility of the County of Orange. Reaffirming the Rossmoor Community Services District's sphere of influence will not result in any significant direct or cumulative impacts with respect to land use planning within the project area.

#### X.MINERAL RESOURCES. Would the project:

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?

Issues:		Less Than Significant		
	Potentially	With	Less Than	
	Significant	Mitigation	Significant	No Impact
	Impact	Incorporated	Impact	

b) Result in the loss of availability of a locallyimportant mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

Discussion:. The project will not result in any significant direct or cumulative impacts on the mineral resources of the project area. This includes not incurring the loss of known valuable mineral resources.

#### XI. NOISE. Would the project result in:

- a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?
- b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?
- c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?
- d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?
- e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

~	~	~	$\checkmark$

~	~	~	✓

,	~	~	~	✓

~	~	~	$\checkmark$

Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
~	~	~	<b>√</b>

f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

**Issues:** 

Discussion: The project will not result in any significant direct or cumulative impacts on noise levels within the project area. This includes not exposing individuals to excess ground borne vibrations or substantially increasing ambient noises, whether temporary, periodical, or permanent.

XII. POPULATION AND HOUSING. Would the project:

- a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of road or other infrastructure)?
- b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
- b) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

Discussion: The community of Rossmoor is built-out. Adoption of an updated sphere of influence, which is conterminous with the District's existing boundary, will not result in direct and substantial population growth.

XIII. PUBLIC SERVICES. Would the project:

a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

Fire protection?  $\sim$   $\sim$ 

			ATTACHMEN	VT 1
Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
Police protection?	~	~	~	✓
Schools?	~	~	~	✓
Parks?	~	~	~	$\checkmark$
Other public facilities?	~	~	~	✓
Discussion: The Rossmoor Community Services District provides street sweeping, median landscaping, street sweeping, parkway tree maintenance and perimeter wall maintenance for the Rossmoor community residents. The proposed sphere of influence update, which reconfirms the District's exiting sphere, will have no impact on the ability of the Rossmoor Community Services District to serve existing customers. XIV. RECREATION. Would the project:  a) Increase the use of existing neighborhood and regional parks or other recreational facilities such	~	~	~	<b>√</b>
that substantial physical deterioration of the facility would occur or be accelerated?				
<ul> <li>b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which have an adverse physical effect on the environment?</li> <li>Discussion: The project will not result in any</li> </ul>	~	~	~	✓
significant direct or cumulative impacts on recreational services within the project area including increasing the use of existing neighborhood and regional parks.				
XV. TRANSPORTATION / TRAFFIC. Would the project:				
a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	~	~	~	✓

ATTACHMENT 1 Less Than **Issues:** Significant Potentially With Less Than Significant Mitigation Significant No Impact Impact Incorporated Impact b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways? c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? e) Result in inadequate emergency access? f) Result in inadequate parking capacity? g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)? Discussion: The project will not result in any significant direct or cumulative impacts relating to transportation or circulation within the project area. This includes not causing an increase in street or air traffic patterns, creating inadequate emergency access or parking capacity, or conflicting with adopted transportation policies. XVI. UTILITIES AND SERVICE SYSTEMS. Would the project: a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? c) Require or result in the construction of new storm water drainage facilities or expansion of

existing facilities, the construction of which could cause significant environmental effects?

#### **Issues:**

		~/	<b>√</b>
Potentially Significant Impact	Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
	Less Inan		

- d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?
- e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?
- f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?
- g) Comply with federal, state, and local statutes and regulations related to solid waste?

Discussion: The project will not result in any significant, direct or cumulative impacts on the provision of water or sewer service within the project area.

#### XVII. MANDATORY FINDINGS OF SIGNIFICANCE

- a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat or a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?
- b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current project, and the effects of probable future projects.)

**Issues:** 

Less Than
Significant
Potentially With Less Than
Significant Mitigation Significant No Impact
Impact Incorporated Impact

c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

Discussion: The project would not result in any significant direct or cumulative impacts relating to mandatory findings of significance within the project area. This includes not degrading the quality of the environment or causing substantial adverse effects on individuals, whether directly or indirectly.

## Statement of Determinations Rossmoor Community Services District Sphere of Influence

#### Present and Planned Land uses for the Area

The Rossmoor Community Services District serves the unincorporated community of Rossmoor exclusively. Rossmoor is fully developed, with 97 percent of the land devoted to residential use. The Center for Demographic Research at California State University, Fullerton, projects that the existing Rossmoor population of 10,560 will increase to 11,467 in year 2020. Some of this growth may be the result of the remodeling/expansion of many of the original 1950s era homes in Rossmoor to accommodate larger and/or extended families.

#### Present and Probable Need for Public Facilities and Services

The community of Rossmoor is built-out. The current population is 10,560 and is projected to be 11,467 by year 2020. With such limited growth, the extension of infrastructure and services is expected to be minimal.

<u>Present Capacity of Public Facilities and Adequacy of Public Services</u> In the March 2005 Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

#### Social and Economic Communities of Interest

The unincorporated community of Rossmoor is bordered by both the City of Los Alamitos and the City of Seal Beach. The City of Los Alamitos borders Rossmoor on the north, east and west. Rossmoor is largely separated from the majority of Seal Beach by the San Diego (405) freeway. However, there are residential uses and three shopping centers, near the intersection of Rossmoor Center Drive and Seal Beach Boulevard, that are located within the City of Seal Beach and are immediately adjacent to the southeast portion the Rossmoor community. Rossmoor's perimeter "signature" wall and the formation of a Community Services District to provide local services to Rossmoor residents reflect Rossmoor's independence.

Both the City of Los Alamitos and Rossmoor receive water and sewer service through the same agencies, Southern California Water Company and Rossmoor/Los Alamitos Area Sewer District, respectively.

#### **SOI 05-34**

# RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING A SPHERE OF INFLUENCE FOR THE CITY OF LOS ALAMITOS

#### March 8, 2006

On motion of Commissioner \_\_\_\_\_, duly seconded and carried, the following resolution was adopted:

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, April 13, 2005, after public hearings, Orange County LAFCO adopted Resolution MSR 03-28 approving the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach Municipal Service Review and adopting the written determinations contained therein; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set September 14, 2005 as the hearing date on this Sphere of Influence review proposal and gave the required notice of public hearing; and

Resolution SOI 05-34 Page 1 of 4

WHEREAS, on September 14, 2005, Orange County LAFCO continued consideration of the Sunset Beach Sanitary District for a period of six months to allow completion of the City of Huntington Beach Municipal Service Review; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set March 8, 2006 as the hearing date on this Sphere of Influence Review and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the Sunset Beach Sanitary District; and

WHEREAS, this Commission called for and held a public hearing on the proposal on March 8, 2006, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, LAFCO, as the lead agency under CEQA (California Environmental Quality Act) for sphere of influence reviews, completed an initial study and determined that adoption of the sphere of influence for the City of Los Alamitos would not have a significant effect on the environment as defined in CEQA.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

#### Section 1. Environmental Action:

a) LAFCO, as the lead agency, has determined that adoption of the sphere of influence for the City of Los Alamitos would not have a significant effect

Resolution SOI 05-34 Page 2 of 4

- on the environment as defined in CEQA. The Commission has therefore adopted a Negative Declaration for the sphere of influence review.
- b) The Executive Officer is instructed to file the Negative Declaration with the County Clerk in accordance with CEQA.

#### Section 2. Determinations

- The Commission has adopted an updated sphere of influence for the City of Los Alamitos which includes the unincorporated community of Rossmoor.
- b) The Commission has adopted the accompanying Statement of Determinations, shown as "Exhibit A."
- c) The Commission has determined that the City of Los Alamitos has sufficient resources and facilities to provide service within its current sphere area.
- Section 3. This sphere review is assigned the following distinctive short-form designation: "Sphere of Influence Study for the City of Los Alamitos (SOI 05-31).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA )
) SS.
COUNTY OF ORANGE )

I, BOB BOUER, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 8<sup>th</sup> day of March, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand this 8<sup>th</sup> day of March, 2006.

Resolution SOI 05-34 Page 3 of 4

BOR BOUEK
Chair of the Orange County
Local Agency Formation Commission

By:		
-	Bob Bouer	

Resolution SOI 05-34 Page 4 of 4



### ROSSMOOR COMMUNITY SERVICES DISTRICT

3001 BLUME DRIVE, ROSSMOOR, CA 90720 / (562) 430-3707 / FAX (562) 431-3710

August 12, 2005

Carolyn Emery, Project Manager Local Agency Formation Commission Orange County 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701

Re: Comments on the Proposed Rossmoor Community Services District SOI

Dear Ms. Emery:

In response to your letter dated July 27, 2005, requesting comments on the Sphere of Influence (SOI) Update for the Rossmoor Community Services District (SOI 05-33), the District's Board of Directors has considered this matter and would like to provide the following comments:

Largely in response to the recent MSR and its review of the adequacy and present and probable future needs for public services, the District intends to explore expanding its services to include police/law enforcement services. These services could be provided through a direct contract or other suitable arrangement with an appropriate law enforcement agency, or as otherwise most beneficial to the residents of Rossmoor, in accordance with the applicable procedures under the Government Code.

On the issue of the adequacy and present and probable future needs for public facilities, the District would like to explore expanding its service boundary to accommodate a possible regional park for Rossmoor exclusively and, should that not be feasible, then in coordination with another agency as may be appropriate.

In regard to adjustments to the physical boundaries of Rossmoor's SOI, the District respectfully suggests that LAFCO consider the expansion of Rossmoor's SOI to include the immediately adjacent area known as the Rossmoor Shopping Center. Although this pocket was annexed by the City of Seal Beach at a time when the current safeguards of the Cortese-Knox-Hertzberg Act were not in effect, the Rossmoor Shopping Center was designed as a part of the Rossmoor community, to serve that community, it is integral to the Rossmoor community and to this day it remains predominantly supported by the residents of Rossmoor.

Thank you for the opportunity to provide these comments. Please let me know if you have any questions or desire further information in regard to the matters discussed in this letter.

Sincerely,

Alfred Colett

riesident

RECEIVED AUG 1 5 2005

## Attachment 2 -

## City of Seal Beach Sphere of Influence Staff Report from March 8, 2006





March 8, 2006

CHAIR
SUSAN WILSON

Representative of General Public

VICE CHAIR ROBERT BOUER

Councilmember City of Laguna Woods

BILL CAMPBELL

Supervisor Third District

PETER HERZOG Councilmember

Councilmember City of Lake Forest

ARLENE SCHAFER

Director Costa Mesa Sanitary District

TOM WILSON

Supervisor Fifth District

JOHN WITHERS

Director Irvine Ranch Water District

ALTERNATE
PATSY MARSHALL

Councilmember City of Buena Park

ALTERNATE
RHONDA MCCUNE

Representative of General Public

ALTERNATE

JAMES W. SILVA

Supervisor Second District

ALTERNATE
CHARLEY WILSON

Director Santa Margarita Water District

JOYCE CROSTHWAITE

Executive Officer

TO: Local Agency Formation Commission

**FROM:** Executive Officer

**Assistant Executive Officer** 

**SUBJECT:** City of Seal Beach Sphere of Influence Update (SOI

05-32)

#### **BACKGROUND**

Originally scheduled for Commission consideration on September 14, 2005, the City of Seal Beach sphere of influence update was continued for a period of six months pending completion of the City of Huntington Beach Municipal Service Review (MSR).

#### INTRODUCTION

In 1997, the State Legislature convened a special commission to study and make recommendations to address California's rapidly accelerating growth. The Commission on Local Governance for the 21st Century focused their energies on ways to empower the already existing LAFCOs originally established in 1963. The Commission's final report, *Growth within Bounds*, recommended various changes to local land use laws and LAFCO statutes. Many of these changes were incorporated into the Cortese-Knox-Hertzberg Reorganization Act of 2000 that provided LAFCO with new responsibilities.

One of the major new responsibilities of LAFCO is to conduct comprehensive, regional studies of municipal services (Municipal Service Reviews or MSRs) every five years in conjunction with reviews of city and district spheres of influence (Government Code Sections 56425 and 56530). Spheres of Influence (SOIs) are boundaries, determined by LAFCO, which define the ultimate service area for cities and special districts. An MSR was prepared for the City of Seal Beach in March 2005. This report addresses the required SOI update for the City.

#### **HISTORY**

The City of Seal Beach, incorporated in 1915, has a current population of approximately 27,210 residents. Located along the coast in northwest Orange County, the City is bordered to the north by the City of Los Alamitos and the unincorporated community of Rossmoor, the Cities of Garden Grove and Westminster to the east, and the City of Huntington Beach and the unincorporated community of Sunset Beach to the south (*see Exhibit A – Location Map*).

The City of Seal Beach includes the Surfside Colony, a private, gated community located immediately north of Sunset Beach but physically separated from the City by Anaheim Bay. The City of Seal Beach is largely built-out. The Center for Demographic Research at California State University, Fullerton projects an increase of 2,034 residents within Seal Beach by year 2020.

#### Sunset Beach

Oriented along a one-mile stretch of Pacific Coast Highway, the unincorporated community of Sunset Beach is surrounded to east and south by the City of Huntington Beach. To the west is the Pacific Ocean. Sunset Beach is immediately adjacent to the Surfside Colony to the north, which is a private, gated residential community located within the City of Seal Beach.

According the Center for Demographic Research at California State University, Fullerton, Sunset Beach has a population of approximately 1,336 residents. The community is predominantly residential in character, but offers a variety of visitor-serving commercial uses. Because of its beach location, Sunset Beach remains a popular destination for visitors, particularly during the summer months.

The Sunset Beach community receives its local services from a variety of sources. The Orange County Sheriff and California Highway Patrol provide police protection and traffic control. Water is provided by the City of Huntington Beach. Sewer and trash collection services are offered through the Sunset Beach Sanitary District, which also serves the Surfside Colony within the City of Seal Beach. The Orange County Fire Authority provides fire suppression services. Planning, code enforcement, land use, road maintenance, park and landscaping maintenance, beach maintenance, lifeguard services and other government administrative services are handled through the County of Orange. Staff is recommending that the community of Sunset Beach be placed in the sphere of influence for the City of Huntington Beach.

March 8, 2006 RE: City of Seal Beach SOI Page 3

#### Rossmoor

Rossmoor is an unincorporated County island comprising approximately 985 acres located between the Cities of Seal Beach and Los Alamitos. One of the area's first "planned communities," Rossmoor is almost entirely residential. Almost all of the single-family detached homes were built during the 1950s.

The community primarily consists of ranch style homes on tree-lined streets. A red brick "signature wall" surrounds the community, although the community is not private. The current population in Rossmoor, according to the Center for Demographic Research at California State University, Fullerton, is approximately 10,560. The community is built-out and only limited growth is anticipated; population projections indicate a population of 11,467 residing within Rossmoor in year 2020.

The unincorporated community of Rossmoor is bordered by both the City of Los Alamitos and the City of Seal Beach. The City of Los Alamitos virtually surrounds Rossmoor on the north, northeast and northwest. Rossmoor is largely separated from the majority of Seal Beach by the San Diego (405) freeway, although there are residential and commercial uses within the City of Seal Beach directly southeast of Rossmoor. Three shopping centers and some residential uses located near the intersection of Rossmoor Center Drive and Seal Beach Boulevard are within the City of Seal Beach and immediately adjacent to southeast portion of Rossmoor.

Rossmoor has traditionally maintained a separate identity from its surrounding cities. Rossmoor's perimeter "signature" wall and the formation of a Community Services District to provide local services (street lighting and sweeping, parks and recreation, median landscaping and parkway tree maintenance, and maintenance of the community wall) to Rossmoor residents reflect Rossmoor's independence.

#### Previous SOI Determinations for City of Seal Beach

The City's sphere of influence was initially adopted in February 1974. At that time, the sphere was coterminous with the City's corporate limits. In June 1975, the City annexed the 103-acre Hellman Ranch property and the United States Naval Weapons Station.

In June 1976, the City requested an amendment to the City's sphere and the concurrent annexation of approximately 818 acres of the Pacific Ocean adjacent to the Surfside Colony from the mean high tide seaward to the three-mile limit.

March 8, 2006 RE: City of Seal Beach SOI Page 4

The purpose of the request was to provide a consistent three-mile boundary of all tide and submerged lands adjacent to the City. On July 19, 1976, LAFCO approved an updated sphere of influence and annexation of the requested 818 acres. Sphere of influence reviews in 1983 and 1989 reaffirmed a coterminous sphere for the City of Seal Beach (*see Exhibit B – Existing Sphere of Influence Map*).

#### **ANALYSIS**

In determining a sphere of influence for an agency, Government Code 56425 requires LAFCO to consider each of the following factors:

- The present and planned land uses in the area
- The present and probable need for public facilities and services in the area
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
- The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency

Each of these factors is evaluated below for your Commission's consideration.

#### Present and Planned Land Uses in the Area

The City of Seal Beach includes a mix of land uses. Approximately 37 percent of the City is dedicated to residential use. Commercial and industrial uses comprise about 6 percent and 5 percent of the City, respectively. The remaining land is primarily devoted to open space, military and school and park uses. The City is fully developed; no significant changes to existing land uses are anticipated.

#### Present and Probable Need for Public Facilities and Services

The City of Seal Beach is built-out. The current population is 27,210. The City's population is projected to grow to 29,244 by year 2020. Because of limited growth opportunities citywide, the extension of City infrastructure and services is expected to be minimal.

Two federal defense faculties are located in the immediate area – the United States Naval Weapons Station in Seal Beach and the Joint Forces Training Center in Los Alamitos. The Naval Weapons Station is 5,256 acres in size and is nearly twice the size of the remaining portion of Seal Beach. This facility is not currently located on a federal base closure list and no need for additional city services is anticipated at this time.

<u>Present Capacity of Public Facilities and Adequacy of Public Services</u> In the March 2005 Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

#### Social and Economic Communities of Interest

The unincorporated community of Rossmoor is bordered by both the City of Los Alamitos and the City of Seal Beach. While the City of Los Alamitos borders Rossmoor on the north, east and west, Rossmoor is largely separated from the majority of Seal Beach by the San Diego (405) freeway. However, three shopping centers and some residential uses, near the intersection of Rossmoor Center Drive and Seal Beach Boulevard within the City of Seal Beach, are located immediately adjacent to the southeast portion of the Rossmoor community. Rossmoor has traditionally maintained a separate identity from its surrounding cities. Rossmoor's perimeter "signature" wall and the formation of a Community Services District to provide local services to Rossmoor residents reflect Rossmoor's independence.

The unincorporated community of Sunset Beach borders the City of Seal Beach to south. Sunset Beach is immediately adjacent to the private, gated community of Seal Beach's Surfside Colony. Both Sunset Beach and Surfside Colony receive sewer service through the Sunset Beach Sanitary District. Surfside is physically separated from the main portion of Seal Beach by the Anaheim Bay making delivery of municipal services to the Surfside area by the City of Seal Beach challenging at times. The distance from the City's police and fire headquarter facilities to Surfside is approximately 2.5 miles via Pacific Coast Highway. The City is not a logical service provider for the Sunset Beach community. LAFCO staff would question whether the City of Seal Beach is the most logical service provider for Surfside; however, LAFCO can not detach territory from a city without that city's consent and neither the City of Seal Beach not the residents of Surfside have expressed any interest in changing jurisdictional boundaries.

#### CONCLUSIONS

Staff has communicated with the City of Seal Beach and surrounding agencies on the subject sphere of influence. The City of Seal Beach has expressed their support for reaffirmation of a coterminous sphere of influence for the City of Seal Beach.

In staff's review of the sphere of influence boundary for Seal Beach, we have identified no significant issues at this time that warrant any change in the sphere

boundary. Staff recommends reaffirming the existing coterminous sphere of influence.

#### Other Options Not Precluded

As indicated in the March 2005 Municipal Service Review (MSR) for this area, many of the service providers in the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach area are under significant fiscal stress. Collectively, the area is served by a multiplicity of service providers, including among others, four police agencies, three water agencies, three sewer districts, and four agencies providing park and recreation services.

In the year following the MSR, residents and agencies have started to explore a variety of long-term governance options for their communities. Adoption of a coterminous sphere of influence for the City of Seal Beach does not preclude implementation of any future alternative. Spheres can be changed and, in fact, are required by state law to be reviewed at least once every five years to evaluate whether new circumstances warrant a sphere change.

#### **CEQA**

LAFCO is the lead agency under CEQA (California Environmental Quality Act) for sphere of influence reviews. Staff completed an initial study, and it was determined that adoption of the sphere of influence for the City of Seal Beach would not have a significant effect on the environment as determined by CEQA. Accordingly, a Draft Negative Declaration (*see Attachment 1*) was prepared and noticed in accordance with existing guidelines for implementing CEQA. No comments on the Draft Negative Declaration have been received.

#### STAFF RECOMMENDATION

Staff recommends that the Commission take the following actions:

- 1. Adopt the Negative Declaration (*Attachment 1*) prepared for the proposed sphere of influence update.
- 2. Adopt the Statement of Determinations as required by Government Code Section 56425 (*Attachment 2*)
- 3. Adopt the resolution (*see Attachment 3*) reaffirming the City of Seal Beach sphere of influence as coterminous with the City's exiting jurisdictional boundary as shown on *Exhibit B*.

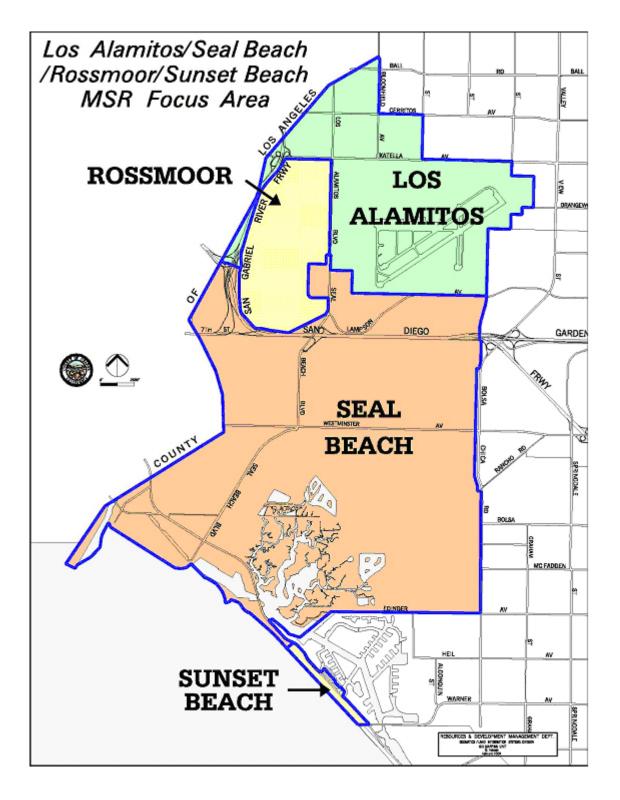
RE: 0 Page	City of Seal Beach SOI 7	
Resp	pectfully submitted,	
JOY(	CE CROSTHWAITE	BOB ALDRICH
Exhib	pits:	
A. B.	Location Map City of Seal Beach SOI Map	

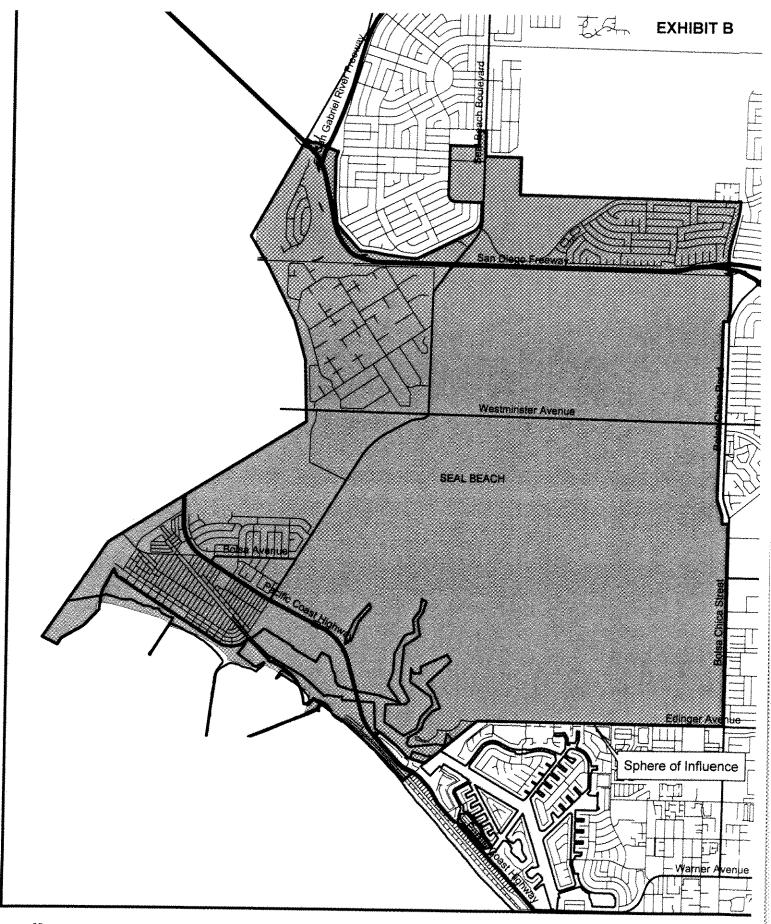
#### Attachments:

March 8, 2006

- Draft Negative Declaration 1.
- Statement of Determinations 2.
- 3. Adopting Resolution

Comment Letter









### City of Seal Beach Sphere of Influence Map

3/08/06

Filgis/projects/FirstSRmaps/SealBeach.mxd Last Reviewed: 11/01

SOI Originally Adopted: 02/27/74 Last Reviewed: 11/01/89

#### ENVIRONMENTAL CHECKLIST FORM

1. Project Title: City of Seal Beach Sphere of Influence Update

2. Lead Agency Name and Address:

Orange County LAFCO

12 Civic Center Plaza, Room 235

Santa Ana, CA 92701

3. Contact Person and Phone Number: Bob Aldrich, Assistant Executive Officer, (714) 834-2556

4. Project Location: The City of Seal Beach is located in northwest Orange County. To the south are the City of Huntington Beach and the unincorporated community of Sunset Beach. To the west are the City of Long Beach and the Pacific Ocean. The Cities of Westminister, Garden Grove and Cypress border the City of Seal Beach to the east. To the north are the unincorporated community of Rossmoor and the City of Los Alamitos.

5. Project Sponsor's Name and Address:

Orange County LAFCO

12 Civic Center Plaza, Room 235

Santa Ana, CA 92701

6. General Plan Designation: Residential, Open Space, Industrial and

Commercial

7. Zoning: Residential, Open Space, Industrial and Commercial

8. Description of Project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheet(s) if necessary.)

Pursuant to California Code of Regulations, Title 14, Section 15074, the Commission will review and consider the adoption of a negative declaration relating to the proposed update of the City of Seal Beach's sphere of influence. The proposed sphere of influence boundary for the City of Seal Beach is coterminous with the existing City boundary. The negative declaration confirms the findings of the associated initial study that the proposed project (the City of Seal Beach sphere of influence update) will not have a significant effect on the environment.

In accordance with Government Code Section 56425 and the LAFCO Sphere of Influence Policy, LAFCO is required to review an agency's sphere of influence every five years in conjunction with conducting municipal service reviews. LAFCO is required to establish a sphere of influence to identify probable future boundaries and service areas of all cities and special districts. A sphere of influence has a time horizon of 15 to 20 years.

LAFCO is recommending that the City of Seal Beach sphere of influence be reaffirmed as conterminous with the City's existing jurisdictional boundary.

9. Surrounding Land Uses and Setting:

The City of Seal Beach, and the surrounding communities of Los Alamitos, Westminster, Huntington Beach, Rossmoor and Sunset Beach, are largely built-out. There are two federal defense facilities

located in the area – the United States Naval Weapons Station located in Seal Beach and the Joint Forces Training Center in the City of Los Alamitos. The Naval Weapons Station is 5,256 acres in size and is nearly twice the size of the remaining portion of Seal Beach. The City of Seal Beach and surrounding areas are largely urbanized and offer only limited growth potential, unless one or both of the federal defense facilities are closed in the future. Neither facility is currently listed for realignment or closure by the Federal Base Realignment and Closure Commission (BRAC).

10. Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement):

None

#### ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

~	Aesthetics	~	Agriculture Resources	~	Air Quality
~	Biological Resources	~	Cultural Resources	~	Geology / Soils
~	Hazards & Hazardous Materials	~	Hydrology / Water Quality	~	Land Use / Planning
~	Mineral Resources	~	Noise	~	Population / Housing
~	Public Services	~	Recreation	~	Transportation / Traffic
~	Utilities / Service Systems	~	Mandatory Findings of Significance		

#### **DETERMINATION** (To be completed by the Lead Agency):

On the basis of this initial evaluation:

- ✓ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ~ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ~ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE

DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

	<u>February 6, 2005</u>
Signature	Date
Joyce Crosthwaite, Executive Officer	Orange County LAFCO
Printed Name	For

#### **EVALUATION OF ENVIRONMENTAL IMPACTS:**

The following is the environmental checklist form presented in Appendix G of the CEQA Guidelines. The checklist form is used to describe the potential environmental impacts of the proposed project with respect to 17 factors prescribed for consideration. For this checklist, the following four designations are used:

- Potentially Significant Impact: An impact that could be significant, and for which no mitigation has been identified. If any potentially significant impacts are identified, an EIR must be prepared.
- Potentially Significant Unless Mitigation Incorporated: An impact that requires mitigation to reduce the impact to a less-than-significant level.
- Less-Than-Significant Impact: Any impact that would not be considered significant under CEQA relative to existing standards.
- No Impact: The project would not have any impact.

Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
I. AESTHETICS. Would the project:				
a) Have a substantial adverse effect on a scenic vista?	~	~	~	✓
b) Substantially damage scenic resources, including, but not limited to, tress, rock outcroppings, and historic buildings within a state scenic highway?	~	~	~	✓
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	~	~	~	✓
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	~	~	~	✓

Discussion: The project will not result in any significant direct or cumulative impacts on the aesthetics of the project area. This includes not adversely affecting scenic vistas, damaging scenic resources, degrading visual character, or creating new sources of light.

II. AGRICULTURE RESOURCES. In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:

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**Issues:** 

	Potentially Significant Impact	Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	~	~	~	√
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	~	~	~	✓
c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	~	~	~	✓
Discussion: The proposed project will not cause any specific new developments to be undertaken and will not result in any significant direct or cumulative impacts on the agricultural resources of the project area.				
III. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	~	~	~	✓
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	~	~	~	✓
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is nonattainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	~	~	~	✓
d) Expose sensitive receptors to substantial pollutant concentrations?	~	~	~	✓

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d) Create objectionable odors affecting a substantial number of people?

Discussion: The project will not result in any significant direct or cumulative impacts on the air quality within the project area. This includes not violating air quality standards or creating objectionable odors.

#### IV. BIOLOGICAL RESOURCES. Would the project:

- a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?
- b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?
- c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?
- d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?
- e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

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Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
e) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	~	~	~	✓
Discussion: The proposed project will not cause any specific new developments to be built. The project will not result in any significant direct or cumulative impacts on the biological resources of the project area and this includes adversely affecting endangered, threatened, or rare species and their habitat.				
V. CULTURAL RESOURCES. Would the project:				
<ul> <li>a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?</li> </ul>	~	~	~	✓
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?	~	~	~	✓
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	~	~	~	✓
d) Disturb any human remains, including those interred outside of formal cemeteries?	~	~	~	✓
Discussion: The project will not result in any significant direct or cumulative impacts on the cultural resources of the project area.				
VI. GEOLOGY AND SOILS Would the project:				
<ul> <li>a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death involving:</li> </ul>	~	~	~	✓

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i) Rupture of a known earthquake fault, as
delineated on the most recent Alquist-Priolo
Earthquake Fault Zoning Map issued by the
State Geologist for the area or based on other
substantial evidence of a known fault? Refer to
Division of Mines and Geology Special
Publication 42.

- ii) Strong seismic ground shaking?
- iii) Seismic-related ground failure, including liquefaction?
- iv) Landslides?
- b) Result in substantial soil erosion or the loss of topsoil?
- c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or offsite landslide, lateral spreading, subsidence, liquefaction or collapse?
- d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?
- e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?

Discussion: The sphere of influence update will not result in any significant direct or cumulative impacts on the geology or soils of the project area, including contributing to soil erosion or exposing individuals or structures to loss, such as injury or death, resulting from earthquakes or landslides

# VII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

~	~	~	✓

ATTACHMENT 1 Less Than **Issues:** Significant Potentially With Less Than Significant Mitigation Significant No Impact Impact Incorporated Impact b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? Discussion: Updating the agency's sphere of influence will not result in any significant direct or cumulative impacts with respect to creating hazards or hazardous materials within the project area. VIII. HYDROLOGY AND WATER QUALITY. Would the project:

discharge requirements?

a) Violate any water quality standards or waste

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		Potentially Significant Impact	With Mitigation Incorporated	Less Than Significant Impact	No Impact
b)	Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	~	~	<b>√</b>	~
c)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	~	~	~	✓
d)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off- site?	~	~	~	✓
e)	Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	~	~	~	✓
f)	Otherwise substantially degrade water quality?	~	~	~	✓
g)	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	~	~	~	✓
h)	Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	~	~	~	✓
i)	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	~	~	~	✓

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Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
j) Inundation by seiche, tsunami, or mudflow?	~	~	~	✓
Discussion: Adoption of an updated sphere of influence for the City of Seal Beach will not result in a depletion of groundwater supplies, alteration of existing drainage patterns, creation of runoff water, and exposure of people to a significant risk of flooding nor will it result in a net deficit in aquifer volume.				
IX. LAND USE AND PLANNING. Would the project:				
a) Physically divide an established community?	~	~	~	✓
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	~	~	~	✓
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	~	~	~	✓
Discussion: The proposed sphere update would reaffirm the City's existing sphere of influence which is coterminous with the City's boundary. Updating the agency's sphere of influence will not result in any significant direct or cumulative impacts with respect to land use planning within the project area.				
X.MINERAL RESOURCES. Would the project:				

a) Result in the loss of availability of a known mineral resource that would be of value to the region and

the residents of the state?

Issues:		Less Than Significant		
	Potentially	With	Less Than	
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b) Result in the loss of availability of a locallyimportant mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

Discussion:. The project will not result in any significant direct or cumulative impacts on the mineral resources of the project area. This includes not incurring the loss of known valuable mineral resources.

#### XI. NOISE. Would the project result in:

- a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?
- b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?
- c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?
- d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?
- e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

~	~	~	$\checkmark$

~	~	~	✓

,	~	~	~	✓

~	~	~	$\checkmark$

Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
For a project within the vicinity of a private	~	~	~	✓

f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

Discussion: The project will not result in any significant direct or cumulative impacts on noise levels within the project area. This includes not exposing individuals to excess groundborne vibrations or substantially increasing ambient noises, whether temporary, periodical, or permanent.

XII. POPULATION AND HOUSING. Would the project:

- a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of road or other infrastructure)?
- b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
- b) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

Discussion: The proposed sphere of influence update reaffirms the City's existing sphere of influence. The City of Seal Beach is largely built-out. Adoption of an updated sphere of influence, which is conterminous with the City's existing jurisdictional boundary, will not result in direct and substantial population growth. XIII. PUBLIC SERVICES. Would the project:

a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

Fire protection?

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Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impac
Police protection?	~	~	~	✓
Schools?	~	~	~	✓
Parks?	~	~	~	✓
Other public facilities?	~	~	~	✓
Discussion: The proposed sphere of influence update reaffirms the City's existing sphere of influence. The proposed sphere of influence update will have no impact on the ability of the City of Seal Beach to provide public services and facilities for its existing residents.  XIV. RECREATION. Would the project:				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	~	~	~	✓
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which have an adverse physical effect on the environment?	~	~	~	✓
Discussion: The project will not result in any significant direct or cumulative impacts on recreational services within the project area including increasing the use of existing neighborhood and regional parks.				
XV. TRANSPORTATION / TRAFFIC. Would the project:				
a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	~	~	~	<b>√</b>

b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?

ATTACHMENT 1 Less Than **Issues:** Significant Potentially With Less Than Significant Mitigation Significant No Impact Impact Incorporated Impact c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? e) Result in inadequate emergency access? f) Result in inadequate parking capacity? g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)? Discussion: The project will not result in any significant direct or cumulative impacts relating to transportation or circulation within the project area. This includes not causing an increase in street or air traffic patterns, creating inadequate emergency access or parking capacity, or conflicting with adopted transportation policies. XVI. UTILITIES AND SERVICE SYSTEMS. Would the project: a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded

entitlements needed?

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- e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?
- f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?
- g) Comply with federal, state, and local statutes and regulations related to solid waste?

Discussion: Water and sewer service is provided to Seal Beach residents through the City of Seal Beach Public Works Department. The proposed sphere of influence update, which reaffirms the City's existing sphere of influence, will have no impact on the ability of the City of Seal Beach to serve existing customers.

#### XVII. MANDATORY FINDINGS OF SIGNIFICANCE

- a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat or a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?
- b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current project, and the effects of probable future projects.)

~	~	~	✓

**Issues:** 

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Significant Mitigation Significant No Impact
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c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

Discussion: The project would not result in any significant direct or cumulative impacts relating to mandatory findings of significance within the project area. This includes not degrading the quality of the environment or causing substantial adverse effects on individuals, whether directly or indirectly.

#### Statement of Determinations City of Seal Beach Sphere of Influence

#### Present and Planned Land Uses for the Area

The City of Seal Beach includes a mix of land uses. Approximately 37 percent of the City is dedicated to residential use. Commercial and industrial uses comprise about 6 percent and 5 percent of the City, respectively. The remaining land is primarily devoted to open space, military, school and park uses. The City is fully developed; no significant changes to existing land uses are anticipated.

#### <u>Present and Probable Need for Public Facilities and Services</u>

The City of Seal Beach is built-out. The current population is 27,210. The City's population is projected to grow to 29,244 by year 2020. Because of limited growth opportunities citywide, the extension of City infrastructure and services is expected to be minimal. Two federal defense faculties are located in the immediate area – the United States Naval Weapons Station in Seal Beach and the Joint Forces Training Center in Los Alamitos. These facilities are not currently located on a federal base closure list and no need for additional city services is anticipated at this time.

<u>Present Capacity of Public Facilities and Adequacy of Public Services</u> In the March 2005 Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

#### Social or Economic Communities of Interest

The unincorporated community of Rossmoor is bordered by both the City of Los Alamitos and the City of Seal Beach. While the City of Los Alamitos borders Rossmoor on the north, east and west, Rossmoor is largely separated from the majority of Seal Beach by the San Diego (405) freeway. However, three shopping centers and some residential uses, near the intersection of Rossmoor Center Drive and Seal Beach Boulevard, are located within the City of Seal Beach and are immediately adjacent to the southeast portion of Rossmoor. Rossmoor has traditionally maintained a separate identity from its surrounding cities. Rossmoor's perimeter "signature" wall and the formation of a Community Services District to provide local services to Rossmoor residents reflect Rossmoor's independence.

The unincorporated community of Sunset Beach borders the City of Seal Beach to south. Sunset Beach is immediately adjacent to the private, gated community of Seal Beach's Surfside Colony. Both Sunset Beach and Surfside Colony receive sewer service through the Sunset Beach Sanitary District, respectively. Sunset Beach residents strongly support maintaining a separate identity for the community of Sunset Beach.

#### **SOI 05-32**

# RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING A SPHERE OF INFLUENCE FOR THE CITY OF SEAL BEACH

#### March 8, 2006

On motion of Commissioner \_\_\_\_\_\_, duly seconded and carried, the following resolution was adopted:

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, April 13, 2005, after public hearings, Orange County LAFCO adopted Resolution MSR 03-28 approving the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach Municipal Service Review and adopting the written determinations contained therein; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set September 14, 2005 as the hearing date on this Sphere of Influence review proposal and gave the required notice of public hearing; and

Resolution SOI 05-32 Page 1 of 4

WHEREAS, on September 14, 2005, Orange County LAFCO continued consideration of the City of Seal Beach Sphere of Influence for a period of six months to allow for completion of the City of Huntington Beach Municipal Service Review; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set March 8, 2006 as the hearing date for this sphere of influence review and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the City of Seal Beach; and

WHEREAS, this Commission called for and held a public hearing on the proposal on March 8, 2006, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, LAFCO, as the lead agency under CEQA (California Environmental Quality Act) for sphere of influence reviews, completed an initial study and determined that adoption of the sphere of influence for the City of Seal Beach would not have a significant effect on the environment as defined in CEQA.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

#### Section 1. Environmental Action:

a) LAFCO, as the lead agency, has determined that adoption of the sphere of influence for the City of Seal Beach would not have a significant effect on

Resolution SOI 05-32 Page 2 of 4

- the environment as defined in CEQA. The Commission has therefore adopted a Negative Declaration for the sphere of influence review.
- b) The Executive Officer is instructed to file the Negative Declaration with the County Clerk in accordance with CEQA.

#### Section 2. Determinations

- The Commission has adopted a coterminous sphere of influence for the City of Seal Beach.
- b) The Commission has adopted the accompanying Statement of Determinations, shown as "Exhibit A."
- c) The Commission has reaffirmed the City of Seal Beach's previous sphere of influence as shown on the attached map labeled "Exhibit B."
- d) The Commission has determined that the City of Seal Beach has sufficient resources and facilities to provide service within its current sphere area.
- Section 3. This sphere review is assigned the following distinctive short-form designation: "Sphere of Influence Study for the City of Seal Beach" (SOI 05-32).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA )
) SS.
COUNTY OF ORANGE )

I, BOB BOUER, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 8th day of March, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand this 8<sup>th</sup> day of March, 2006.

Resolution SOI 05-32 Page 3 of 4

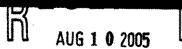
BOB BOUER	
Chair of the Orange County	
Local Agency Formation Commission	
By:	
Bob Bouer	

Resolution SOI 05-32 Page 4 of 4

# City of Seal Beach



August 5, 2005



LOCAL AGENCY FORMATION COMMISSION

Orange County Local Agency Formation Commission Attn: Joyce Crosthwaite, Executive Officer 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701

Dear Ms. Crosthwaite:

SUBJECT:	SPHERE OF INFLUENCE (SOI) UPDATES FOR
	CITY OF SEAL BEACH (SOI 05-32)
	□ SURFSIDE COLONY COMMUNITY
	SERVICES TAX DISTRICT (SOI 05-36)
	U SURFSIDE COLONY STORM WATER
	PROTECTION TAX DISTRICT (SOI 05-37)
	CITY OF LOS ALAMITOS (SOI 05-31)
	ROSSMOOR COMMUNITY SERVICES DISTRICT (SOI 05-33)
	SUNSET BEACH SANITARY DISTRICT (SOI 05-5)

Our staff has reviewed the Sphere of Influence Updates as referenced above, and is in concurrence with the indicated (existing) spheres as set forth in your letters of July 27, 2005 for each of the indicated updates. This position is based on the recent Municipal Service Review process that all of the impacted agencies participated in with LAFCO in the early part of 2005.

We have a comment that the Surfside Colony Community Services Tax District (SOI 05-36) and Surfside Colony Storm Water Protection Tax District (SOI 05-37) maps do not appear to include the Surfside Colony area up to Anderson Street, and that these maps should be revised to indicate the southeasterly boundary is Anderson Street.

Please contact my office at your earliest convenience if you require additional information or have questions regarding the enclosed documents. I can be reached at (562) 431-2527, extension 300, or by e-mail at jbahorski@ci.seal-beach.ca.us.

City of Seal Beach Comment Letter to Orange County Local Agency Formation Commission re: 2005 SOI Updates August 5, 2005

OV 11

ohn B. Bahorski City Manager

Distribution:

Seal Beach City Council

Seal Beach Director of Development Services

Surfside Colony Attn: Judith Norton

City of Los Alamitos

Attn: Lee Evett, City Manager

Rossmoor Community Services District

Attn: Jami Doyle

## Attachment 3 -

# City of Los Alamitos Sphere of Influence Staff Report from March 8, 2006





March 8, 2006

CHAIR
SUSAN WILSON

Representative of General Public

VICE CHAIR ROBERT BOUER

Councilmember City of Laguna Woods

BILL CAMPBELL

Supervisor Third District

PETER HERZOG Councilmember

Councilmember City of Lake Forest

ARLENE SCHAFER

Director Costa Mesa Sanitary District

TOM WILSON

Supervisor Fifth District

JOHN WITHERS

Director Irvine Ranch Water District

ALTERNATE
PATSY MARSHALL

Councilmember City of Buena Park

ALTERNATE
RHONDA MCCUNE

Representative of General Public

ALTERNATE

JAMES W. SILVA

Supervisor Second District

ALTERNATE
CHARLEY WILSON

Director Santa Margarita Water District

JOYCE CROSTHWAITE

Executive Officer

TO: Local Agency Formation Commission

**FROM:** Executive Officer

**Assistant Executive Officer** 

**SUBJECT:** City of Seal Beach Sphere of Influence Update (SOI

05-32)

#### **BACKGROUND**

Originally scheduled for Commission consideration on September 14, 2005, the City of Seal Beach sphere of influence update was continued for a period of six months pending completion of the City of Huntington Beach Municipal Service Review (MSR).

#### INTRODUCTION

In 1997, the State Legislature convened a special commission to study and make recommendations to address California's rapidly accelerating growth. The Commission on Local Governance for the 21st Century focused their energies on ways to empower the already existing LAFCOs originally established in 1963. The Commission's final report, *Growth within Bounds*, recommended various changes to local land use laws and LAFCO statutes. Many of these changes were incorporated into the Cortese-Knox-Hertzberg Reorganization Act of 2000 that provided LAFCO with new responsibilities.

One of the major new responsibilities of LAFCO is to conduct comprehensive, regional studies of municipal services (Municipal Service Reviews or MSRs) every five years in conjunction with reviews of city and district spheres of influence (Government Code Sections 56425 and 56530). Spheres of Influence (SOIs) are boundaries, determined by LAFCO, which define the ultimate service area for cities and special districts. An MSR was prepared for the City of Seal Beach in March 2005. This report addresses the required SOI update for the City.

#### **HISTORY**

The City of Seal Beach, incorporated in 1915, has a current population of approximately 27,210 residents. Located along the coast in northwest Orange County, the City is bordered to the north by the City of Los Alamitos and the unincorporated community of Rossmoor, the Cities of Garden Grove and Westminster to the east, and the City of Huntington Beach and the unincorporated community of Sunset Beach to the south (*see Exhibit A – Location Map*).

The City of Seal Beach includes the Surfside Colony, a private, gated community located immediately north of Sunset Beach but physically separated from the City by Anaheim Bay. The City of Seal Beach is largely built-out. The Center for Demographic Research at California State University, Fullerton projects an increase of 2,034 residents within Seal Beach by year 2020.

#### Sunset Beach

Oriented along a one-mile stretch of Pacific Coast Highway, the unincorporated community of Sunset Beach is surrounded to east and south by the City of Huntington Beach. To the west is the Pacific Ocean. Sunset Beach is immediately adjacent to the Surfside Colony to the north, which is a private, gated residential community located within the City of Seal Beach.

According the Center for Demographic Research at California State University, Fullerton, Sunset Beach has a population of approximately 1,336 residents. The community is predominantly residential in character, but offers a variety of visitor-serving commercial uses. Because of its beach location, Sunset Beach remains a popular destination for visitors, particularly during the summer months.

The Sunset Beach community receives its local services from a variety of sources. The Orange County Sheriff and California Highway Patrol provide police protection and traffic control. Water is provided by the City of Huntington Beach. Sewer and trash collection services are offered through the Sunset Beach Sanitary District, which also serves the Surfside Colony within the City of Seal Beach. The Orange County Fire Authority provides fire suppression services. Planning, code enforcement, land use, road maintenance, park and landscaping maintenance, beach maintenance, lifeguard services and other government administrative services are handled through the County of Orange. Staff is recommending that the community of Sunset Beach be placed in the sphere of influence for the City of Huntington Beach.

March 8, 2006 RE: City of Seal Beach SOI Page 3

#### Rossmoor

Rossmoor is an unincorporated County island comprising approximately 985 acres located between the Cities of Seal Beach and Los Alamitos. One of the area's first "planned communities," Rossmoor is almost entirely residential. Almost all of the single-family detached homes were built during the 1950s.

The community primarily consists of ranch style homes on tree-lined streets. A red brick "signature wall" surrounds the community, although the community is not private. The current population in Rossmoor, according to the Center for Demographic Research at California State University, Fullerton, is approximately 10,560. The community is built-out and only limited growth is anticipated; population projections indicate a population of 11,467 residing within Rossmoor in year 2020.

The unincorporated community of Rossmoor is bordered by both the City of Los Alamitos and the City of Seal Beach. The City of Los Alamitos virtually surrounds Rossmoor on the north, northeast and northwest. Rossmoor is largely separated from the majority of Seal Beach by the San Diego (405) freeway, although there are residential and commercial uses within the City of Seal Beach directly southeast of Rossmoor. Three shopping centers and some residential uses located near the intersection of Rossmoor Center Drive and Seal Beach Boulevard are within the City of Seal Beach and immediately adjacent to southeast portion of Rossmoor.

Rossmoor has traditionally maintained a separate identity from its surrounding cities. Rossmoor's perimeter "signature" wall and the formation of a Community Services District to provide local services (street lighting and sweeping, parks and recreation, median landscaping and parkway tree maintenance, and maintenance of the community wall) to Rossmoor residents reflect Rossmoor's independence.

#### Previous SOI Determinations for City of Seal Beach

The City's sphere of influence was initially adopted in February 1974. At that time, the sphere was coterminous with the City's corporate limits. In June 1975, the City annexed the 103-acre Hellman Ranch property and the United States Naval Weapons Station.

In June 1976, the City requested an amendment to the City's sphere and the concurrent annexation of approximately 818 acres of the Pacific Ocean adjacent to the Surfside Colony from the mean high tide seaward to the three-mile limit.

March 8, 2006 RE: City of Seal Beach SOI Page 4

The purpose of the request was to provide a consistent three-mile boundary of all tide and submerged lands adjacent to the City. On July 19, 1976, LAFCO approved an updated sphere of influence and annexation of the requested 818 acres. Sphere of influence reviews in 1983 and 1989 reaffirmed a coterminous sphere for the City of Seal Beach (*see Exhibit B – Existing Sphere of Influence Map*).

#### **ANALYSIS**

In determining a sphere of influence for an agency, Government Code 56425 requires LAFCO to consider each of the following factors:

- The present and planned land uses in the area
- The present and probable need for public facilities and services in the area
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
- The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency

Each of these factors is evaluated below for your Commission's consideration.

#### Present and Planned Land Uses in the Area

The City of Seal Beach includes a mix of land uses. Approximately 37 percent of the City is dedicated to residential use. Commercial and industrial uses comprise about 6 percent and 5 percent of the City, respectively. The remaining land is primarily devoted to open space, military and school and park uses. The City is fully developed; no significant changes to existing land uses are anticipated.

#### Present and Probable Need for Public Facilities and Services

The City of Seal Beach is built-out. The current population is 27,210. The City's population is projected to grow to 29,244 by year 2020. Because of limited growth opportunities citywide, the extension of City infrastructure and services is expected to be minimal.

Two federal defense faculties are located in the immediate area – the United States Naval Weapons Station in Seal Beach and the Joint Forces Training Center in Los Alamitos. The Naval Weapons Station is 5,256 acres in size and is nearly twice the size of the remaining portion of Seal Beach. This facility is not currently located on a federal base closure list and no need for additional city services is anticipated at this time.

<u>Present Capacity of Public Facilities and Adequacy of Public Services</u> In the March 2005 Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

#### Social and Economic Communities of Interest

The unincorporated community of Rossmoor is bordered by both the City of Los Alamitos and the City of Seal Beach. While the City of Los Alamitos borders Rossmoor on the north, east and west, Rossmoor is largely separated from the majority of Seal Beach by the San Diego (405) freeway. However, three shopping centers and some residential uses, near the intersection of Rossmoor Center Drive and Seal Beach Boulevard within the City of Seal Beach, are located immediately adjacent to the southeast portion of the Rossmoor community. Rossmoor has traditionally maintained a separate identity from its surrounding cities. Rossmoor's perimeter "signature" wall and the formation of a Community Services District to provide local services to Rossmoor residents reflect Rossmoor's independence.

The unincorporated community of Sunset Beach borders the City of Seal Beach to south. Sunset Beach is immediately adjacent to the private, gated community of Seal Beach's Surfside Colony. Both Sunset Beach and Surfside Colony receive sewer service through the Sunset Beach Sanitary District. Surfside is physically separated from the main portion of Seal Beach by the Anaheim Bay making delivery of municipal services to the Surfside area by the City of Seal Beach challenging at times. The distance from the City's police and fire headquarter facilities to Surfside is approximately 2.5 miles via Pacific Coast Highway. The City is not a logical service provider for the Sunset Beach community. LAFCO staff would question whether the City of Seal Beach is the most logical service provider for Surfside; however, LAFCO can not detach territory from a city without that city's consent and neither the City of Seal Beach not the residents of Surfside have expressed any interest in changing jurisdictional boundaries.

#### CONCLUSIONS

Staff has communicated with the City of Seal Beach and surrounding agencies on the subject sphere of influence. The City of Seal Beach has expressed their support for reaffirmation of a coterminous sphere of influence for the City of Seal Beach.

In staff's review of the sphere of influence boundary for Seal Beach, we have identified no significant issues at this time that warrant any change in the sphere

boundary. Staff recommends reaffirming the existing coterminous sphere of influence.

#### Other Options Not Precluded

As indicated in the March 2005 Municipal Service Review (MSR) for this area, many of the service providers in the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach area are under significant fiscal stress. Collectively, the area is served by a multiplicity of service providers, including among others, four police agencies, three water agencies, three sewer districts, and four agencies providing park and recreation services.

In the year following the MSR, residents and agencies have started to explore a variety of long-term governance options for their communities. Adoption of a coterminous sphere of influence for the City of Seal Beach does not preclude implementation of any future alternative. Spheres can be changed and, in fact, are required by state law to be reviewed at least once every five years to evaluate whether new circumstances warrant a sphere change.

#### **CEQA**

LAFCO is the lead agency under CEQA (California Environmental Quality Act) for sphere of influence reviews. Staff completed an initial study, and it was determined that adoption of the sphere of influence for the City of Seal Beach would not have a significant effect on the environment as determined by CEQA. Accordingly, a Draft Negative Declaration (*see Attachment 1*) was prepared and noticed in accordance with existing guidelines for implementing CEQA. No comments on the Draft Negative Declaration have been received.

#### STAFF RECOMMENDATION

Staff recommends that the Commission take the following actions:

- 1. Adopt the Negative Declaration (*Attachment 1*) prepared for the proposed sphere of influence update.
- 2. Adopt the Statement of Determinations as required by Government Code Section 56425 (*Attachment 2*)
- 3. Adopt the resolution (*see Attachment 3*) reaffirming the City of Seal Beach sphere of influence as coterminous with the City's exiting jurisdictional boundary as shown on *Exhibit B*.

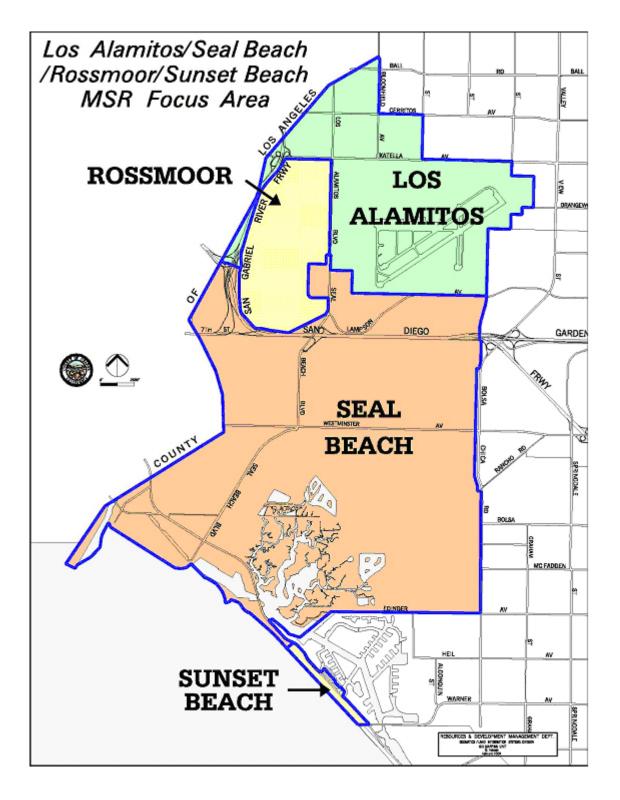
RE: 0 Page	City of Seal Beach SOI 7	
Resp	pectfully submitted,	
JOY(	CE CROSTHWAITE	BOB ALDRICH
Exhib	pits:	
A. B.	Location Map City of Seal Beach SOI Map	

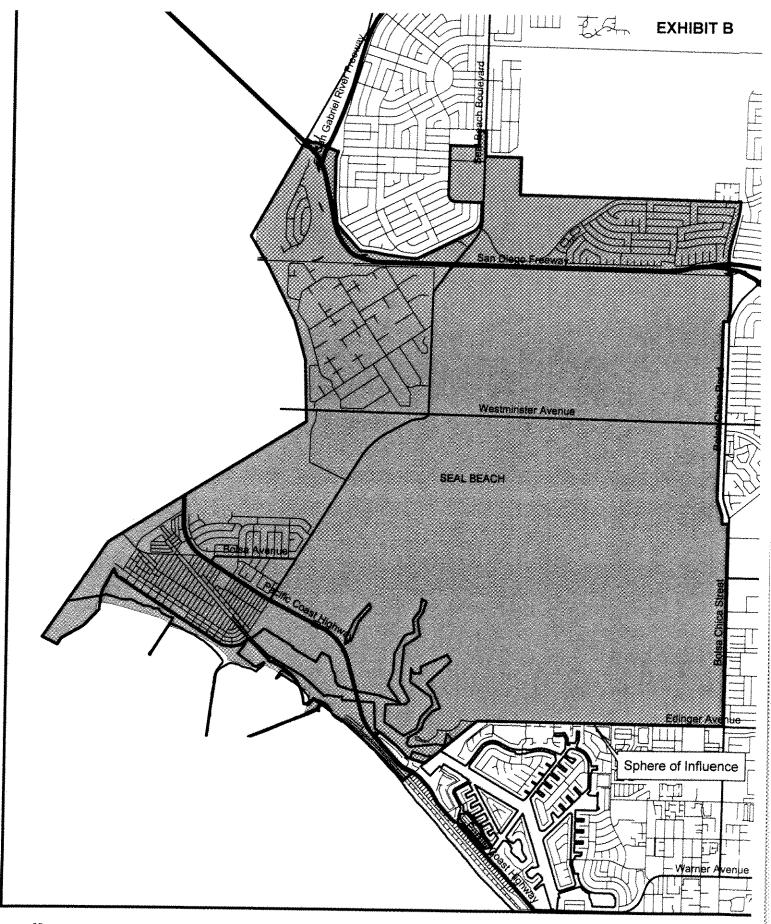
#### Attachments:

March 8, 2006

- Draft Negative Declaration 1.
- Statement of Determinations 2.
- 3. Adopting Resolution

Comment Letter









## City of Seal Beach Sphere of Influence Map

3/08/06

Filgis/projects/FirstSRmaps/SealBeach.mxd Last Reviewed: 11/01

SOI Originally Adopted: 02/27/74 Last Reviewed: 11/01/89

#### ENVIRONMENTAL CHECKLIST FORM

1. Project Title: City of Seal Beach Sphere of Influence Update

2. Lead Agency Name and Address:

Orange County LAFCO

12 Civic Center Plaza, Room 235

Santa Ana, CA 92701

3. Contact Person and Phone Number: Bob Aldrich, Assistant Executive Officer, (714) 834-2556

4. Project Location: The City of Seal Beach is located in northwest Orange County. To the south are the City of Huntington Beach and the unincorporated community of Sunset Beach. To the west are the City of Long Beach and the Pacific Ocean. The Cities of Westminister, Garden Grove and Cypress border the City of Seal Beach to the east. To the north are the unincorporated community of Rossmoor and the City of Los Alamitos.

5. Project Sponsor's Name and Address:

Orange County LAFCO

12 Civic Center Plaza, Room 235

Santa Ana, CA 92701

6. General Plan Designation: Residential, Open Space, Industrial and

Commercial

7. Zoning: Residential, Open Space, Industrial and Commercial

8. Description of Project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheet(s) if necessary.)

Pursuant to California Code of Regulations, Title 14, Section 15074, the Commission will review and consider the adoption of a negative declaration relating to the proposed update of the City of Seal Beach's sphere of influence. The proposed sphere of influence boundary for the City of Seal Beach is coterminous with the existing City boundary. The negative declaration confirms the findings of the associated initial study that the proposed project (the City of Seal Beach sphere of influence update) will not have a significant effect on the environment.

In accordance with Government Code Section 56425 and the LAFCO Sphere of Influence Policy, LAFCO is required to review an agency's sphere of influence every five years in conjunction with conducting municipal service reviews. LAFCO is required to establish a sphere of influence to identify probable future boundaries and service areas of all cities and special districts. A sphere of influence has a time horizon of 15 to 20 years.

LAFCO is recommending that the City of Seal Beach sphere of influence be reaffirmed as conterminous with the City's existing jurisdictional boundary.

9. Surrounding Land Uses and Setting:

The City of Seal Beach, and the surrounding communities of Los Alamitos, Westminster, Huntington Beach, Rossmoor and Sunset Beach, are largely built-out. There are two federal defense facilities

located in the area – the United States Naval Weapons Station located in Seal Beach and the Joint Forces Training Center in the City of Los Alamitos. The Naval Weapons Station is 5,256 acres in size and is nearly twice the size of the remaining portion of Seal Beach. The City of Seal Beach and surrounding areas are largely urbanized and offer only limited growth potential, unless one or both of the federal defense facilities are closed in the future. Neither facility is currently listed for realignment or closure by the Federal Base Realignment and Closure Commission (BRAC).

10. Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement):

None

#### ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

~	Aesthetics	~	Agriculture Resources	~	Air Quality
~	Biological Resources	~	Cultural Resources	~	Geology / Soils
~	Hazards & Hazardous Materials	~	Hydrology / Water Quality	~	Land Use / Planning
~	Mineral Resources	~	Noise	~	Population / Housing
~	Public Services	~	Recreation	~	Transportation / Traffic
~	Utilities / Service Systems	~	Mandatory Findings of Significance		

#### **DETERMINATION** (To be completed by the Lead Agency):

On the basis of this initial evaluation:

- ✓ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ~ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ~ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE

DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

	<u>February 6, 2005</u>
Signature	Date
Joyce Crosthwaite, Executive Officer	Orange County LAFCO
Printed Name	For

#### **EVALUATION OF ENVIRONMENTAL IMPACTS:**

The following is the environmental checklist form presented in Appendix G of the CEQA Guidelines. The checklist form is used to describe the potential environmental impacts of the proposed project with respect to 17 factors prescribed for consideration. For this checklist, the following four designations are used:

- Potentially Significant Impact: An impact that could be significant, and for which no mitigation has been identified. If any potentially significant impacts are identified, an EIR must be prepared.
- Potentially Significant Unless Mitigation Incorporated: An impact that requires mitigation to reduce the impact to a less-than-significant level.
- Less-Than-Significant Impact: Any impact that would not be considered significant under CEQA relative to existing standards.
- No Impact: The project would not have any impact.

Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
I. AESTHETICS. Would the project:				
a) Have a substantial adverse effect on a scenic vista?	~	~	~	✓
b) Substantially damage scenic resources, including, but not limited to, tress, rock outcroppings, and historic buildings within a state scenic highway?	~	~	~	✓
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	~	~	~	✓
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	~	~	~	✓

Discussion: The project will not result in any significant direct or cumulative impacts on the aesthetics of the project area. This includes not adversely affecting scenic vistas, damaging scenic resources, degrading visual character, or creating new sources of light.

II. AGRICULTURE RESOURCES. In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:

ATTACHMENT 1
Less Than

**Issues:** 

issues.	Potentially Significant Impact	Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	~	~	~	✓
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	~	~	~	✓
c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	~	~	~	✓
Discussion: The proposed project will not cause any specific new developments to be undertaken and will not result in any significant direct or cumulative impacts on the agricultural resources of the project area.				
III. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	~	~	~	✓
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	~	~	~	✓
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is nonattainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	~	~	~	✓
d) Expose sensitive receptors to substantial pollutant concentrations?	~	~	~	✓

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d) Create objectionable odors affecting a substantial number of people?

Discussion: The project will not result in any significant direct or cumulative impacts on the air quality within the project area. This includes not violating air quality standards or creating objectionable odors.

#### IV. BIOLOGICAL RESOURCES. Would the project:

- a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?
- b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?
- c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?
- d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?
- e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

ATTACHMENT 1
Less Than

			TIACIIVILI	11 1
Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
e) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	~	~	~	✓
Discussion: The proposed project will not cause any specific new developments to be built. The project will not result in any significant direct or cumulative impacts on the biological resources of the project area and this includes adversely affecting endangered, threatened, or rare species and their habitat.				
V. CULTURAL RESOURCES. Would the project:				
<ul> <li>a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?</li> </ul>	~	~	~	✓
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?	~	~	~	✓
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	~	~	~	✓
d) Disturb any human remains, including those interred outside of formal cemeteries?	~	~	~	✓
Discussion: The project will not result in any significant direct or cumulative impacts on the cultural resources of the project area.				
VI. GEOLOGY AND SOILS Would the project:				
<ul> <li>a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death involving:</li> </ul>	~	~	~	✓

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i) Rupture of a known earthquake fault, as
delineated on the most recent Alquist-Priolo
Earthquake Fault Zoning Map issued by the
State Geologist for the area or based on other
substantial evidence of a known fault? Refer to
Division of Mines and Geology Special
Publication 42.

- ii) Strong seismic ground shaking?
- iii) Seismic-related ground failure, including liquefaction?
- iv) Landslides?
- b) Result in substantial soil erosion or the loss of topsoil?
- c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or offsite landslide, lateral spreading, subsidence, liquefaction or collapse?
- d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?
- e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?

Discussion: The sphere of influence update will not result in any significant direct or cumulative impacts on the geology or soils of the project area, including contributing to soil erosion or exposing individuals or structures to loss, such as injury or death, resulting from earthquakes or landslides

# VII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

~	~	~	✓

ATTACHMENT 1 Less Than **Issues:** Significant Potentially With Less Than Significant Mitigation Significant No Impact Impact Incorporated Impact b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? Discussion: Updating the agency's sphere of influence will not result in any significant direct or cumulative impacts with respect to creating hazards or hazardous materials within the project area. VIII. HYDROLOGY AND WATER QUALITY. Would the project:

discharge requirements?

a) Violate any water quality standards or waste

Less Than Significant

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		Potentially Significant Impact	With Mitigation Incorporated	Less Than Significant Impact	No Impact
b)	Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	~	~	<b>√</b>	~
c)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	~	~	~	✓
d)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off- site?	~	~	~	✓
e)	Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	~	~	~	✓
f)	Otherwise substantially degrade water quality?	~	~	~	✓
g)	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	~	~	~	✓
h)	Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	~	~	~	✓
i)	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	~	~	~	✓

ATTACHMENT 1
Less Than

			TIACIIVILI	111
Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
j) Inundation by seiche, tsunami, or mudflow?	~	~	~	✓
Discussion: Adoption of an updated sphere of influence for the City of Seal Beach will not result in a depletion of groundwater supplies, alteration of existing drainage patterns, creation of runoff water, and exposure of people to a significant risk of flooding nor will it result in a net deficit in aquifer volume.				
IX. LAND USE AND PLANNING. Would the project:				
a) Physically divide an established community?	~	~	~	✓
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	~	~	~	✓
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	~	~	~	✓
Discussion: The proposed sphere update would reaffirm the City's existing sphere of influence which is coterminous with the City's boundary. Updating the agency's sphere of influence will not result in any significant direct or cumulative impacts with respect to land use planning within the project area.				
X.MINERAL RESOURCES. Would the project:				

a) Result in the loss of availability of a known mineral resource that would be of value to the region and

the residents of the state?

Issues:		Less Than Significant		
	Potentially	With	Less Than	
	Significant	Mitigation	Significant	No Impact
	Impact	Incorporated	Impact	

b) Result in the loss of availability of a locallyimportant mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

Discussion:. The project will not result in any significant direct or cumulative impacts on the mineral resources of the project area. This includes not incurring the loss of known valuable mineral resources.

#### XI. NOISE. Would the project result in:

- a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?
- b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?
- c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?
- d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?
- e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

~	~	~	$\checkmark$

~	~	~	✓

,	~	~	~	✓

~	~	~	$\checkmark$

Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
For a project within the vicinity of a private	~	~	~	✓

f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

Discussion: The project will not result in any significant direct or cumulative impacts on noise levels within the project area. This includes not exposing individuals to excess groundborne vibrations or substantially increasing ambient noises, whether temporary, periodical, or permanent.

XII. POPULATION AND HOUSING. Would the project:

- a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of road or other infrastructure)?
- b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
- b) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

Discussion: The proposed sphere of influence update reaffirms the City's existing sphere of influence. The City of Seal Beach is largely built-out. Adoption of an updated sphere of influence, which is conterminous with the City's existing jurisdictional boundary, will not result in direct and substantial population growth. XIII. PUBLIC SERVICES. Would the project:

a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

Fire protection?

		1	ATTACHMEN	JT 1
Issues:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impac
Police protection?	~	~	~	✓
Schools?	~	~	~	✓
Parks?	~	~	~	✓
Other public facilities?	~	~	~	✓
Discussion: The proposed sphere of influence update reaffirms the City's existing sphere of influence. The proposed sphere of influence update will have no impact on the ability of the City of Seal Beach to provide public services and facilities for its existing residents.  XIV. RECREATION. Would the project:				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	~	~	~	✓
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which have an adverse physical effect on the environment?	~	~	~	✓
Discussion: The project will not result in any significant direct or cumulative impacts on recreational services within the project area including increasing the use of existing neighborhood and regional parks.				
XV. TRANSPORTATION / TRAFFIC. Would the project:				
a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	~	~	~	<b>√</b>

b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?

ATTACHMENT 1 Less Than **Issues:** Significant Potentially With Less Than Significant Mitigation Significant No Impact Impact Incorporated Impact c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? e) Result in inadequate emergency access? f) Result in inadequate parking capacity? g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)? Discussion: The project will not result in any significant direct or cumulative impacts relating to transportation or circulation within the project area. This includes not causing an increase in street or air traffic patterns, creating inadequate emergency access or parking capacity, or conflicting with adopted transportation policies. XVI. UTILITIES AND SERVICE SYSTEMS. Would the project: a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded

entitlements needed?

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- e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?
- f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?
- g) Comply with federal, state, and local statutes and regulations related to solid waste?

Discussion: Water and sewer service is provided to Seal Beach residents through the City of Seal Beach Public Works Department. The proposed sphere of influence update, which reaffirms the City's existing sphere of influence, will have no impact on the ability of the City of Seal Beach to serve existing customers.

#### XVII. MANDATORY FINDINGS OF SIGNIFICANCE

- a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat or a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?
- b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current project, and the effects of probable future projects.)

~	~	~	✓

**Issues:** 

Less Than
Significant
Potentially With Less Than
Significant Mitigation Significant No Impact
Impact Incorporated Impact

c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

Discussion: The project would not result in any significant direct or cumulative impacts relating to mandatory findings of significance within the project area. This includes not degrading the quality of the environment or causing substantial adverse effects on individuals, whether directly or indirectly.

#### Statement of Determinations City of Seal Beach Sphere of Influence

#### Present and Planned Land Uses for the Area

The City of Seal Beach includes a mix of land uses. Approximately 37 percent of the City is dedicated to residential use. Commercial and industrial uses comprise about 6 percent and 5 percent of the City, respectively. The remaining land is primarily devoted to open space, military, school and park uses. The City is fully developed; no significant changes to existing land uses are anticipated.

#### <u>Present and Probable Need for Public Facilities and Services</u>

The City of Seal Beach is built-out. The current population is 27,210. The City's population is projected to grow to 29,244 by year 2020. Because of limited growth opportunities citywide, the extension of City infrastructure and services is expected to be minimal. Two federal defense faculties are located in the immediate area – the United States Naval Weapons Station in Seal Beach and the Joint Forces Training Center in Los Alamitos. These facilities are not currently located on a federal base closure list and no need for additional city services is anticipated at this time.

<u>Present Capacity of Public Facilities and Adequacy of Public Services</u> In the March 2005 Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

#### Social or Economic Communities of Interest

The unincorporated community of Rossmoor is bordered by both the City of Los Alamitos and the City of Seal Beach. While the City of Los Alamitos borders Rossmoor on the north, east and west, Rossmoor is largely separated from the majority of Seal Beach by the San Diego (405) freeway. However, three shopping centers and some residential uses, near the intersection of Rossmoor Center Drive and Seal Beach Boulevard, are located within the City of Seal Beach and are immediately adjacent to the southeast portion of Rossmoor. Rossmoor has traditionally maintained a separate identity from its surrounding cities. Rossmoor's perimeter "signature" wall and the formation of a Community Services District to provide local services to Rossmoor residents reflect Rossmoor's independence.

The unincorporated community of Sunset Beach borders the City of Seal Beach to south. Sunset Beach is immediately adjacent to the private, gated community of Seal Beach's Surfside Colony. Both Sunset Beach and Surfside Colony receive sewer service through the Sunset Beach Sanitary District, respectively. Sunset Beach residents strongly support maintaining a separate identity for the community of Sunset Beach.

#### **SOI 05-32**

# RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING A SPHERE OF INFLUENCE FOR THE CITY OF SEAL BEACH

#### March 8, 2006

On motion of Commissioner \_\_\_\_\_\_, duly seconded and carried, the following resolution was adopted:

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, April 13, 2005, after public hearings, Orange County LAFCO adopted Resolution MSR 03-28 approving the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach Municipal Service Review and adopting the written determinations contained therein; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set September 14, 2005 as the hearing date on this Sphere of Influence review proposal and gave the required notice of public hearing; and

Resolution SOI 05-32 Page 1 of 4

WHEREAS, on September 14, 2005, Orange County LAFCO continued consideration of the City of Seal Beach Sphere of Influence for a period of six months to allow for completion of the City of Huntington Beach Municipal Service Review; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set March 8, 2006 as the hearing date for this sphere of influence review and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the City of Seal Beach; and

WHEREAS, this Commission called for and held a public hearing on the proposal on March 8, 2006, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, LAFCO, as the lead agency under CEQA (California Environmental Quality Act) for sphere of influence reviews, completed an initial study and determined that adoption of the sphere of influence for the City of Seal Beach would not have a significant effect on the environment as defined in CEQA.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

#### Section 1. Environmental Action:

a) LAFCO, as the lead agency, has determined that adoption of the sphere of influence for the City of Seal Beach would not have a significant effect on

Resolution SOI 05-32 Page 2 of 4

- the environment as defined in CEQA. The Commission has therefore adopted a Negative Declaration for the sphere of influence review.
- b) The Executive Officer is instructed to file the Negative Declaration with the County Clerk in accordance with CEQA.

#### Section 2. Determinations

- The Commission has adopted a coterminous sphere of influence for the City of Seal Beach.
- b) The Commission has adopted the accompanying Statement of Determinations, shown as "Exhibit A."
- c) The Commission has reaffirmed the City of Seal Beach's previous sphere of influence as shown on the attached map labeled "Exhibit B."
- d) The Commission has determined that the City of Seal Beach has sufficient resources and facilities to provide service within its current sphere area.
- Section 3. This sphere review is assigned the following distinctive short-form designation: "Sphere of Influence Study for the City of Seal Beach" (SOI 05-32).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA )
) SS.
COUNTY OF ORANGE )

I, BOB BOUER, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 8th day of March, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand this 8<sup>th</sup> day of March, 2006.

Resolution SOI 05-32 Page 3 of 4

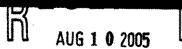
BOB BOUER	
Chair of the Orange County	
Local Agency Formation Commission	
By:	
Bob Bouer	

Resolution SOI 05-32 Page 4 of 4

# City of Seal Beach



August 5, 2005



LOCAL AGENCY FORMATION COMMISSION

Orange County Local Agency Formation Commission Attn: Joyce Crosthwaite, Executive Officer 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701

Dear Ms. Crosthwaite:

SUBJECT:	SPHERE OF INFLUENCE (SOI) UPDATES FOR
	CITY OF SEAL BEACH (SOI 05-32)
	□ SURFSIDE COLONY COMMUNITY
	SERVICES TAX DISTRICT (SOI 05-36)
	U SURFSIDE COLONY STORM WATER
	PROTECTION TAX DISTRICT (SOI 05-37)
	CITY OF LOS ALAMITOS (SOI 05-31)
	ROSSMOOR COMMUNITY SERVICES DISTRICT (SOI 05-33)
	SUNSET BEACH SANITARY DISTRICT (SOI 05-5)

Our staff has reviewed the Sphere of Influence Updates as referenced above, and is in concurrence with the indicated (existing) spheres as set forth in your letters of July 27, 2005 for each of the indicated updates. This position is based on the recent Municipal Service Review process that all of the impacted agencies participated in with LAFCO in the early part of 2005.

We have a comment that the Surfside Colony Community Services Tax District (SOI 05-36) and Surfside Colony Storm Water Protection Tax District (SOI 05-37) maps do not appear to include the Surfside Colony area up to Anderson Street, and that these maps should be revised to indicate the southeasterly boundary is Anderson Street.

Please contact my office at your earliest convenience if you require additional information or have questions regarding the enclosed documents. I can be reached at (562) 431-2527, extension 300, or by e-mail at jbahorski@ci.seal-beach.ca.us.

City of Seal Beach Comment Letter to Orange County Local Agency Formation Commission re: 2005 SOI Updates August 5, 2005

OV 11

ohn B. Bahorski City Manager

Distribution:

Seal Beach City Council

Seal Beach Director of Development Services

Surfside Colony Attn: Judith Norton

City of Los Alamitos

Attn: Lee Evett, City Manager

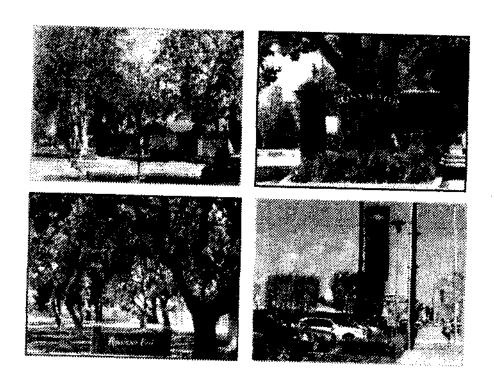
Rossmoor Community Services District

Attn: Jami Doyle

# Attachment 4 -

# Rossmoor Planning Committee Governance Options Report

# PRELIMINARY REPORT ROSSMOOR FUTURE GOVERNANCE OPTIONS



June 8, 2006

Prepared by Rossmoor Planning Committee





# ROSSMOOR PLANNING COMMITTEE

c/o Rossmoor Homeowners Association P.O. Box 5058 Rossmoor, CA 90720 562.799.1401 www.rossmoor-rha.org EricLChis@aol.com

#### Executive Committee

Erwin Anisman Warren Asmus Eric Christensen Tom Fitzgerald Russ Lightcap Mark Nitikman

#### Rossmoor Expanded Services & Incorporation Subcommittee

Erwin Anisman, Chair , Tony DeMarco Randall Ely Brenda Gorman Joel Rattner Gary Stewart

#### Consolidation Studies Subcommittee

Mark Nitikman, Chair Jim Bonham Greg Breuer Ralph Vartabedian

#### Annexation Studies Subcommittee

Tom Fitzgerald, Co-Chair
Russ Lightcap, Co-Chair
Don Broun
Mike Bullock
Glen Cook
Randy Goddard
Bill Haglund
George Watts
Mike Sanders

With appreciation to Orange County, the Rossmoor Community Services District and the Rossmoor Homeowners Association for funding this study.

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## CHAPTER 1: INTRODUCTION

#### STUDY PURPOSE

This preliminary report is intended to inform the Rossmoor community as it considers the desirability of governance options. The Rossmoor Planning Committee (RPC) has initiated studies of various alternatives for the future governance of Rossmoor. Governance changes for Rossmoor are being considered for three principal reasons:

- 1. Rossmoor is an unincorporated area under the jurisdiction of the County of Orange. The County has expressed a desire to get out of the business of municipal government in unincorporated areas to concentrate on "core" countywide services, such things as the courts, social services, regional parks, health and welfare. The County has made it clear that it will not be able in the future to continue to provide unincorporated islands the same level of municipal services it has in the past. The County's desire to divest itself of unincorporated islands necessitates study of possible options for future governance of Rossmoor.
- 2. Orange County Local Agency Formation Commission (LAFCO) completed a Municipal Services Review (MSR) for Rossmoor, Los Alamitos, Seal Beach and Sunset Beach in March 2005. As part of that process, OC LAFCO is required by State law to update the Spheres of Influence for each city and district studied. OC LAFCO staff has proposed that Rossmoor should be included in the Sphere of Influence of a neighboring city (likely Los Alamitos). OC LAFCO has agreed to delay its determination of a Sphere of Influence affecting Rossmoor until July 2006.
- 3. The level of services that Rossmoor currently receives is unsatisfactory and below the level received by our neighbors. With respect to municipal services, Rossmoor receives services from the County that are poorer than services received by our neighbors in adjacent cities, including law enforcement, traffic enforcement, building permitting and code enforcement. For instance, the response time for priority one (emergency) law enforcement calls in Rossmoor was 11.3 minutes versus 4.2 minutes for Seal Beach and 3.2 minutes for Los Alamitos, according to a LAFCO study. If the County further reduces the level of municipal services, which it says it expects it will have to do, we will not even be able to maintain the quality of community services we currently enjoy.

We feel strongly that for something as important as our future form of governance, we should control our future and not some outside entity with no ties to our community. And, we feel it is critical to base our decisions on real facts so that all alternatives are carefully considered and so that we have sufficient information to make an informed choice. We have been informed that LAFCO does not have the resources or time to conduct the detailed studies we have initiated.

#### Caveats

It is important to highlight that this report is preliminary. RPC welcomes comments and additional data from the community, LAFCO and the affected agencies (the County, Los Alamitos,

Orange County LAFCO, Municipal Service Review Report: Los Alamitos/Seal Beach/Rossmoor/Sunset Beach, March 9, 2005. Scott P. Bryant & Associates, Police Services Comparison Survey: Report to the Orange County Local Algency Formation Commission, November 2004. Note that the Sheriff disputes the study's accuracy on the Rossmoor response time and contends that the actual response time is about 8.5 minutes. The Sheriff's estimated response time is twice the response time for Scal Beach and nearly three times Los Alamitos' response time.

Seal Beach and the Rossmoor Community Services District). Any governance option pursued by Rossmoor or affected agencies would require more comprehensive analysis, approval by LAFCO and approval by the Rossmoor community.

#### GOVERNANCE OPTIONS

The following governance options are being considered:

- Expanded powers for the existing Rossmoor Community Services District ("RCSD")
- Incorporation of Rossmoor as a separate city
- Annexation to Los Alamitos
- Annexation to Seal Beach
- Formation of a consolidated city encompassing Los Alamitos, Rossmoor and Seal Beach.<sup>2</sup>

#### STUDY CREDITS

The RPC Executive Committee members—Erwin Anisman, Warren Asmus, Eric Christensen, Tom Fitzgerald, Russ Lightcap, and Mark Nitikman—oversaw the study and prepared the introductory and baseline chapters.

The RPC Expanded Services & Incorporation Subcommittee members— Erwin Anisman, Tony DeMarco, Randall Ely, Brenda Gorman, Joel Rattner, and Gary Stewart—prepared the chapters on incorporation and expansion of RCSD powers.

The Annexation Subcommittee members—Tom Fitzgerald, Russ Lightcap, Don Broun, Mike Bullock, Glen Cook, Randy Goddard, Bill Haglund, George Watts, and Mike Sanders—prepared the chapters on annexation to Los Alamitos and Seal Beach.

The Consolidation Studies Subcommittee members—Mark Nitikman, Jim Bonham, Greg Breuer, and Ralph Vartabedian—assessed the consolidation option and considered cost and performance issues relating to city size.

#### LAFCO OVERVIEW

Each county in the state has a Local Agency Formation Commission (LAFCO), an independent regulatory commission whose state-mandated purpose is to promote orderly growth and development, discourage urban sprawl, and encourage efficient service areas for local governments. LAFCO has the responsibility for facilitating constructive changes in governmental structure and boundaries, including annexation, incorporation, consolidation, and establishment of Spheres of Influence for incorporated cities and districts. For an unincorporated area of Rossmoor's size, LAFCO cannot, on its own, initiate annexation, incorporation or consolidation under current law.

A Sphere of Influence designates the recommended future physical boundary and service area for an incorporated city or special district for the optimal delivery of municipal and governance services, basically defining territory that may be annexed sometime in the future. LAFCO has described the Sphere of Influence as a "planning tool." Rossmoor is currently not within the sphere

The RPC report on consolidation is being delivered separately from the current report.

of influence for any other government jurisdiction, although LAFCO staff recommends changing that.

LAFCO says it is only encouraging Rossmoor (and other unincorporated islands) to start considering how to provide for future services, acknowledging that the County may begin to curtail municipal services to unincorporated areas.

# CHAPTER 2: ROSSMOOR BASELINE

In order for Rossmoor residents to understand the advantages and disadvantages of various future governance options, it is appropriate to have an accurate baseline describing the current governance and municipal services situation in Rossmoor today.

#### GOVERNANCE

### ROSSMOOR COMMUNITY SERVICES DISTRICT

The Rossmoor Community Services District (RCSD) is a special district established in 1987 to provide specific municipal services authorized by the voters. The RCSD currently provides street lighting, street sweeping, median landscaping (Rossmoor Way), aesthetic tree trimming, parks and recreational services, and maintenance of the Rossmoor signature wall. The RCSD is governed by a board of 5 Directors elected for staggered 4 year terms and hires a General Manager and small staff to administer its services and policies. The RPC is currently exploring an option to add law enforcement services to the RCSD and to contract with the Sheriff for these services.

#### **ORANGE COUNTY**

Orange County provides all other municipal services not provided by the RCSD or the Rossmoor-Los Alamitos Sewer District. It is governed by the Board of Supervisors composed of five Supervisors, elected by District. Rossmoor is represented by Jim Silva, Supervisor of the Second District. The disadvantage to this system, from Rossmoor's perspective, is that we only have at best 20% representation on the Board of Supervisors, our primary governmental agency, and a distant bureaucratic organization for service and resolution of issues. Further, Rossmoor's voice in County government will be potentially adversely impacted after November 2006 when the term of our current Supervisor, Jim Silva, expires.

#### LAW & TRAFFIC ENFORCEMENT

#### LAW ENFORCEMENT SERVICES

In Rossmoor, law enforcement services are provided by the Orange County Sheriff and funded by Orange County. Rossmoor currently has one patrol coverage, 7x24, shared with Sunset Beach (the patrol officer is either in Rossmoor, in Sunset Beach or between the communities). As a result, our law enforcement response time has suffered. The Municipal Service Review, dated March 2005, reported our priority one response time was 11.3 minutes on average (compared to 3.2 and 4.2 minutes for Los Alamitos and Seal Beach, respectively). The Sheriff has reported that this response time has been reduced to 8.5 minutes for the last 6 months of 2005. In addition, it has been difficult to get information from the Sheriff or provide direction for his services (since he contractually reports to Orange County and not directly to our community).

#### TRAFFIC ENFORCEMENT SERVICES

In Rossmoor, the primary responsible agency for traffic and parking enforcement and traffic accident investigation is the California Highway Patrol (CHP). The CHP has been significantly resource-limited during the past several years and Rossmoor has received limited patrols and significantly poorer traffic enforcement services than provided in our neighboring communities. In January 2006, the Board of Supervisors authorized the OC Sheriff to supplement the CHP in

providing traffic enforcement services to unincorporated communities. Although this has already helped improve the situation some in Rossmoor, the Orange County Sheriff is not authorized to add personnel and is only supplementing the CHP services.

# RCSD SERVICES

The RCSD is responsible for providing the following services:

Street Lighting: No known issues.

Street Sweeping: Provided every other week. Only issue is lack of enforcement of "no parking" regulations on street sweeping days (actually a law enforcement issue).

Median Landscaping (Rossmoor Way): No known issues.

Aesthetic Tree Trimming: Rossmoor's trees are a significant community asset. The RCSD's responsibility is planting new or replacement trees and aesthetic tree trimming. The RCSD identifies diseased, dead or problem trees. The removal of these trees is currently the County's responsibility.

Parks and Recreation Services: The RCSD administers 5 "parks" (including 2 mini-parks and the landscaped triangle on Seal Beach Blvd.) plus the Montecito Center. In addition, it provides for the maintenance and rental of several District buildings. The total parks and recreation budget for FY 2002-3 was \$154,000, or \$14.59 per capita. In comparison, Los Alamitos administered eight parks and open space (14 acres) with a parks and recreation budget for FY 2003-4 of \$1,182,900, or about \$107 per capita (seven times the RCSD amount).

Rossmoor Signature Wall Maintenance: No known issues.

# COUNTY MUNICIPAL SERVICES

The County provides the following municipal services (which could be transferred to Rossmoor upon incorporation or to an annexing city if Rossmoor were annexed—these are the services that the County would like to cease providing to unincorporated areas):

Law Enforcement Services: See discussion point above.

Public Works (Street, Parkway and Sidewalk Maintenance): It should be noted that all Rossmoor streets are residential and that, in general, there are no "through" streets in Rossmoor. The Rossmoor elementary schools however do bring in non-Rossmoor vehicles. Due to the non-commercial use of the streets, street maintenance requirements are lower than normal and, in general, Rossmoor streets are in good condition. With respect to parkways and sidewalks, Rossmoor may experience slightly higher than average maintenance due to damage caused by parkway trees. Essentially all of Rossmoor's sidewalks/curbs have been retrofitted for wheelchair access.

Zoning and Building Inspection: Rossmoor has very little control over or input to land use decisions which are made in Santa Ana. Building inspectors are County-based and, therefore, there are distance, familiarity and bureaucracy issues.

Permitting: There is a slow response to telephone calls and e-mails. Enforcement officers are located in Laguna Hills and charges include travel time. Since they are typically out of the office, the time available for contacting them is very limited.

<u>Code Enforcement</u>: In recent years, we have seen significant cuts in County enforcement services. This was originally due to significant cuts in County code enforcement officers in this area. Code enforcement officers based in Santa Ana have only limited familiarity with Rossmoor and have other areas of responsibility.

Animal Control: Animal control services are provided by Orange County Health Care Agency, Animal Control Services located in South Orange, with shelters in Buena Park, La Habra and Santa Ana. Only known issue is the locations of the animal control facilities and shelters are not convenient.

Fire: Orange County Fire Authority (OCFA) serves Rossmoor. There are no known service issues. However, we have been advised of a potential issue relating to building permits. We have been told that the Fire Department, in approving permits for expansions in Rossmoor, has required sprinkler installations for home expansions in excess of 3,500 sf (as opposed to 5,000 sf in the rest of the County), unless the resident has a test done of the nearest fire hydrants to confirm sufficient pressure.

<u>Library Services</u>: No known issues. Our only library is shared with Los Alamitos and is on Seal Beach property.

### COUNTY REGIONAL SERVICES

The County provides the following services to all County residents, whether or not in a city. These services would be maintained by the County whatever future form of government that Rossmoor selected. There are no known issues with County Regional Services.

- a. <u>Vector Control</u>
- b. Health and Human Services.
- c. Coroner/Judicial Services.
- d. Other.

#### SEWER SERVICES

The Rossmoor-Los Alamitos Sewer District serves 24,800 people in Rossmoor, Los Alamitos, and parts of Long Beach, Seal Beach and Cypress. It has the lowest per capita cost of any of the three sewer agencies in the MSR study area. It is financially in good condition with FY 2002-3 revenues of \$326,892, expenses of \$302,139 and a reserve of \$1,892,000. There are no known significant service or infrastructure issues.

#### UTILITY SERVICES

Current utility providers in Rossmoor are the following:

- a. Water: Golden State Water Company.
- b. Gas: Southern California Gas Company.
- c. Electric: Southern California Edison.
- d. Cable: Time Warner.
- e. Trash Collection: Trash is collected weekly by CR&R pursuant to a County contract.

# EDUCATIONAL SERVICES

The Los Alamitos Unified School District (LAUSD) provides first class elementary, middle and high school education to the residents of Rossmoor, Los Alamitos and Seal Beach. Historically, the LAUSD has been viewed as a significant community asset and major reason for new residents to move to Rossmoor. Currently, however, there are severe funding problems that could impact the continued high level of service in the future.

# CHAPTER 3: EXPANDING RCSD SERVICES

#### SUMMARY

A sub-committee of the Rossmoor Planning Committee (RPC) studied the issues related to the Rossmoor Community Services District assuming additional municipal services for Rossmoor that are currently provided by the County of Orange. Recent state legislation is supportive of strengthening Community Service Districts. This governance option could be an alternative to annexation of Rossmoor by an adjacent city or city incorporation. The criteria to consider in acquiring services are need and affordability. Law enforcement is one service that fits the criteria and in fact is currently being pursued by the RPC. There would be some RCSD start up costs and staff time involved if this transfer is approved. Another candidate service for acquisition is animal control but this needs further study. Trash removal for Rossmoor is contracted and administered by the county and could be taken over by the RCSD if deemed advantageous. Public works by the county is at a satisfactory level so there would seem no need to change that at this time. Desirable services to have locally would be building and code enforcement, but these are not available to Community Services Districts because they involve zoning powers, which only the county or a city can have.

This study included financial and governance aspects for expansion, advantages and disadvantages for expansion, and the procedure for applying to LAFCO for a new service.

#### INTRODUCTION

This report is part of the Rossmoor Planning Committee's initiative to explore governance options for the unincorporated community of Rossmoor. It was authored by the Special Studies Subcommittee of the RPC consisting of interested Rossmoor residents and with the assistance of consultants retained by the RPC. The purpose of the report is to provide information to the residents of Rossmoor and others about expanding the services of the RCSD. It is not intended to be an advocate for or against this option.

The motivation for the RPC studies is that the county has expressed that it desires to divest from delivering municipal services to the unincorporated county areas and concentrate on their regional services that they provide to the whole county such as social welfare, health, courts, jails, harbors, etc. They are being squeezed financially and see providing municipal services as a burden they can not sustain.

The county municipal services provided to Rossmoor are in many cases not at levels that are satisfactory and less than what neighboring cities provide to their citizens. Also, LAFCO is on the verge of making a determination about the Sphere of Influence (SOI) for cities adjacent to Rossmoor and it is no secret that LAFCO staff has recommended placing Rossmoor in the SOI of Los Alamitos. If that occurs, it will preclude any other option Rossmoor may want to pursue for perhaps as long as 5 years until the next MSR. It will be up to the residents to decide what direction, if any, to take.

A newly- revised Community Services District (CSD) Law (SB 135) went into effect on January 1, 2006. It strengthens CSDs' governance. It allows CSD's to provide some 31 services and states

that a CSD can be "A permanent form of governance that can provide locally adequate levels of public facilities and services." Also, it can be "A transitional form of governance as the city approaches cityhood." The legislation provides potential financing sources for its services such as special taxes, benefit assessments, rates for utility service, etc.

## DISCUSSION

Chapter 2 details the municipal and regional services currently provided to Rossmoor by the county and the RCSD. The challenge when considering expanding RCSD services by transferring them from the county is determining which services make sense to assume. The factors that should go into that decision are:

- Is a particular county service deficient?
- Is there the will to acquire that service?
- Can the RCSD do it better?
- Is the funding available for the RCSD to administer it?

These factors were applied by the RPC in considering Rossmoor's law enforcement service. It is a vital service and it was determined that the level of service with the current county arrangement is less than satisfactory. There were leaders in the community who were willing to work to see if the contracting for the Sheriff's service could be transferred to the RCSD. By having the county transfer the approximately \$1.1 million of the Sheriff's budget allocated for Rossmoor to the RCSD and have the RCSD contract with the Sheriff, Rossmoor could have the services that would work best for the needs of the community. In fact, this effort is already underway by the RPC working with the County and the Sheriff and the prospects for this happening seem to be very good.

It would seem prudent when considering which services to acquire, to do so on a case-by-case basis and not try to swallow too much. This incremental approach would allow adjustments to staff and resources as needed and to evaluate the efficiency in delivering additional services.

Another service that may be a candidate for acquisition is Animal Control. This is a relatively low-cost service performed by the county. But because of the distance to the county facility, it may be beneficial to contract for that service with the Long Beach or the Seal Beach facility which are very close to Rossmoor. The public works (roads, curbs, gutters, sidewalks) services performed by the county are currently at a satisfactory level. There would not seem to be an urgency to take over that function in the near term. The building, planning and code enforcement services, while perhaps desirable, can not be assumed by a CSD because they involve zoning powers which only the county or a city has. However, there are some options with respect to planning and code. Rossmoor could apply for an "overlay" to the County code and also can form an area planning commission (APC) if these are approved by the County.

# ANALYSIS

Table 3-1 shows the current costs for municipal services that Orange County and the RCSD provide to Rossmoor. The county cost figures shown are the best available, but the true costs for those services by the county have been difficult to obtain because the county does not separate costs for each unincorporated community. As a result the costs are calculated on a per capita basis which may not reflect their true costs if the RCSD were to administer that service. The exception to that is the Sheriff's law enforcement cost which was obtained by LAFCO for the MSR report and obtained

from the Sheriff Department. If the RCSD acquires the \$1.1M from the County to directly contract with the Sheriff, it would need to set aside about \$200,000 of its reserves into a restricted contingency fund.

		BLE 3-1 OF SERVICES	
SERVICE	PROVIDER	COST	NOTE
Sheriff	County	\$1.14 M	RCSD could contract for same amount
Parks, Trees, Recreation, Facilities, Street Sweeping	RCSD	\$0.66 M	Budget for RCSD
Public Works	County	\$0.24 M	Level of service by County currently satisfactory
Animal Control	County	\$0.06 M	RCSD could contract for same amount.
Building & Planning	County	\$0.27 M	CSDs cannot acquire this service.
Code Enforcement	County	\$0.02 M	CSDs cannot acquire this service.
Trash Removal	County	\$0.001 M	Contract could be acquired by RCSD.

The Trash Removal cost shown in Table 3-1 is the cost for administering the contract with the service provider. Rossmoor residents pay \$16.61 per month for the service.

As shown by its latest audit, the RCSD is in good financial shape. It has managed to meet its budget because revenues, generated mostly by property taxes, have increased along with its expenditures which are closely monitored. The District has built up a healthy reserve of about one million dollars. Any new service to be assumed by the RCSD from the county should have the county cost for that service transferred to the RCSD. Otherwise, another funding source would need to be found.

#### Advantages of an Expanded RCSD

- Services can be tailored to the needs of the community.
- Contracted services would be directly responsible to the RCSD, not the county.
- Costs can be directly linked to a particular service.
- Special Districts are more responsive to their constituents.
- It could take over new services one at a time and accommodate to the administration of the service rather than taking on many services as would happen with incorporation. It could start out slowly with low administrative cost services such as contracting for refuse removal and animal control.
- It may not necessitate any new taxes or fees.
- By contracting out for new services, additional RCSD employees may not be necessary.

## Disadvantages of an Expanded RCSD

- It takes on more responsibilities and liabilities.
- It could require a larger staff.

- The permanence of a service district is less secure, as State and LAFCO mandates could change in the future. Rossmoor may have to revisit the governance issue all over again.
- There is always the chance that funds may be raided by the state.
- There is no guarantee that the RCSD can deliver a service less expensively than the county.
- It could hinder the regional planning of services.

# WHAT AN EXPANDED RCSD WOULD LOOK LIKE

Depending on what services the District assumes, its administrative office could remain as is or it may have to expand. It could add space to the existing building at Rush Park or it could install a modular building. Staff may have to be expanded as new services are added. Acquiring the funds and the approval to contract with the Sheriff for law enforcement services will require a certain amount of administration by staff. It will require the outfitting of an office so that deputies can have phones and computers to file their reports. The General Manager will need to interface with the Chief and the RPC advisory committee. Some periodic administration of the contract will be required. The extent of his time for these tasks will be determined as it is experienced.

# PROCESS FOR ACQUIRING LATENT POWERS

Once a desire for a new service is determined, the process for acquiring new services is spelled out by LAFCO. There are basically two steps involved. The first step is for the RCSD Board to propose and hold public hearings for a resolution applying for the service. If adopted, they file a certified copy of the resolution with LAFCO accompanied with a plan and financial information. The LAFCO Commission will then hold a public hearing and consider approval of the resolution. To add services currently provided by another agency to CSD powers requests consent from the affected agency. The affected services would include police protection, public works and animal control. If LAFCO approves the application, it then goes into effect.

# APPLICATION PROCESS IN DETAIL

This section details the application process through excerpts from the California Government Code.

# Initiated by affected CSD

56824.10. Commission proceedings for the exercise of new or different functions or classes of services by special districts may be initiated by a resolution of application in accordance with this article.

# Resolution of application

- 56654. (a) A proposal for a change of organization or a reorganization may be made by the adoption of a resolution of application by the legislative body of an affected local agency.
- (b) At least 20 days before the adoption of the resolution, the legislative body may give mailed notice of its intention to adopt a resolution of application to the commission and to each interested agency and each subject agency. The notice shall generally describe the proposal and the affected territory.

(c) Except for the provisions regarding signers and signatures, a resolution of application shall contain all of the matters specified for a petition in Section 56700 and shall be submitted with a plan for services prepared pursuant to Section 56653.

# Service Plan Requirement

- 56653. (a) Whenever a local agency or school district submits a resolution of application for a change of organization or reorganization pursuant to this part, the local agency shall submit with the resolution of application a plan for providing services within the affected territory.
- (b) The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:
  - (1) An enumeration and description of the services to be extended to the affected territory.
  - (2) The level and range of those services.
  - (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
  - (5) Information with respect to how those services will be financed.

## Additional requirements

- 56824.12. (a) A proposal by a special district to provide a new or different function or class of services within its jurisdictional boundaries shall be made by the adoption of a resolution of application by the legislative body of the special district and shall include all of the matters specified for a petition in Section 56700, and be submitted with a plan for services prepared pursuant to Section 56653. The plan for services for purposes of this article shall also include all of the following information:
- (1) The total estimated cost to provide the new or different function or class of services within the special district's jurisdictional boundaries.
- (2) The estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries. The estimated costs may be identified by customer class.
- (3) An identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
- (4) A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.
- (5) Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.
- (b) The clerk of the legislative body adopting a resolution of application shall file a certified copy of that resolution with the executive officer. Except as provided in subdivision (c), the commission shall process resolutions of application adopted pursuant to this article in accordance with Section 56824.14.
- (c) (1) Prior to submitting a resolution of application pursuant to this article to the commission, the legislative body of the special district shall conduct a public hearing on the resolution. Notice of

the hearing shall be published pursuant to Sections 56153 and 56154. (2) Any affected local agency, affected county, or any interested person who wishes to appear at the hearing shall be given an opportunity to provide oral or written testimony on the resolution.

# Form of application; contents

56652. Each application shall be in the form as the commission may prescribe and shall contain all of the following information:

- (a) A petition or resolution of application initiating the proposal.
- (b) A statement of the nature of each proposal.
- (c) A map and description, acceptable to the executive officer, of the boundaries of the subject territory for each proposed change of organization or reorganization.
  - (d) Any data and information as may be required by any regulation of the commission.
- (e) Any additional data and information, as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the commission.
- (f) The names of the officers or persons, not to exceed three in number, who are to be furnished with copies of the report by the executive officer and who are to be given mailed notice of the hearing.

#### LAFCO Process

- 56824.14. (a) The commission shall review and approve or disapprove with or without amendments, wholly, partially, or conditionally, proposals for the establishment of new or different functions or class of services within the jurisdictional boundaries of a special district after a public hearing called and held for that purpose.
- (b) At least 21 days prior to the date of that hearing, the executive officer shall give mailed notice of the hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the executive officer shall cause notice of the hearing to be published in accordance with Section 56153 in a newspaper of general circulation that is circulated within the territory affected by the proposal proposed to be adopted.
- (c) The commission may continue from time to time any hearing called pursuant to this section. The commission shall hear and consider oral or written testimony presented by any affected local agency, affected county, or any interested person who appears at any hearing called and held pursuant to this section.

# CHAPTER 4: ROSSMOOR INCORPORATION

#### SUMMARY

An analysis for Rossmoor to incorporate as a city was carried out by a subcommittee of the RPC as part of its initiative to consider governance options for Rossmoor. The analysis considered the delivery of municipal services and financial and governance aspects for incorporation. The results indicate that, in spite of conventional wisdom, incorporation could be financially viable. Although a (utility) tax would be required, it likely would be less than those of the neighboring cities. The advantages of being a city are:

- Rossmoor could tailor municipal services and codes to match the unique needs of the community.
- There would be control over deployment of law enforcement resources.
- Municipal services such as permits would be obtained locally instead of in Santa Ana.
- Prestige, community identification and regional influence would be enhanced.
- The present RCSD offices could be expanded to what would be required for the city administration.

The disadvantages are the increased responsibilities and liabilities that a city assumes.

#### INTRODUCTION

This report is part of the Rossmoor Planning Committee's initiative to explore governance options for the unincorporated community of Rossmoor. It is authored by an RPC subcommittee of Rossmoor residents who researched and studied this option and incorporates financial analysis prepared by Burr Consulting and EPS. The purpose of the report is to provide information to the residents of the community and others about incorporating Rossmoor as a city; it is not intended to advocate for or against this option.

The conventional wisdom has been that Rossmoor cannot become a city because it has an insufficient sales tax base, it is too small to achieve economies of scale and funding would be inadequate especially with cuts in the VLF for new cities. However, to our knowledge this has never been studied and reported or documented. While it is the intention here to do just that, it must be recognized that this report is not the final word. There may well need to be refinements with the financial data and the governance considerations and requirements, but this report provides a baseline from which to proceed if desired. If the community decides to petition for incorporation, LAFCO requires that a comprehensive fiscal analysis be conducted.

The report is organized into several major sections. The first section is a discussion of the delivery of municipal services to Rossmoor. The second section looks at the financial implications of a Rossmoor city; that is, what are the revenues that would be expected, what are the expenses that would be incurred to provide a satisfactory level of municipal services and what would be the resulting shortfall, if any. The third section considers the advantages and disadvantages of cityhood. While this can be somewhat subjective, the goal was to make it as objective as possible but the

readers should make their own assessment of this. The next section attempts to describe what a Rossmoor city would be like. The last section deals with the process for incorporation.

# MUNICIPAL SERVICES

The purpose of a governance entity is to provide services to the residents within its boundaries. Rossmoor, as an unincorporated area, currently obtains its services from the County of Orange, the Rossmoor Community Services District (RCSD), the Rossmoor-Los Alamitos Sewer District and the Orange County Fire Authority. These services are categorized as regional and municipal services. The regional services are services provided countywide such as the courts, jails, health, children services and beaches. The municipal services consist of law enforcement (sheriff), public works, animal control, planning, zoning, code enforcement, parks and recreation.

Chapter 2 details the municipal and regional services provided to Rossmoor. If Rossmoor incorporates, the county's regional services would remain the same. Therefore, only the municipal services need to be considered when evaluating incorporation.

Rossmoor is in a unique and desirable position with respect to the requirements that would be placed on it as a city. Those requirements would be fewer than what most cities have to deal with. For one, it is built out so there would not be issues related to development. Because it is a partially walled enclave, it has no arterial thoroughfares and no traffic lights. It has only a small commercial strip (Rossmoor Square located at its Northeast corner) and has no industry. All these factors reduce the amount of services below what a city normally has to provide. Rossmoor has a very low crime rate. Its sewer needs are already well provided by the Los Alamitos-Rossmoor Sewer District so no change is needed for that. It would also remain part of the Orange County Fire Authority without change. What is left to provide then are a limited number of municipal services. The main ones are law and code enforcement, public works, building and planning. These services, presently provided by the County, would be most likely contracted out but could be provided by the new city directly. The services that the RCSD currently provides, such as maintaining the parks, recreation, parkway trees, street sweeping and lighting, would be transferred to the city.

A Rossmoor city with a population of about 10,000 would not be the smallest city in Orange County. That distinction belongs to Villa Park with a population about 6,000 and an area slightly larger than Rossmoor. Villa Park does not provide such services as parks, recreation and sidewalk maintenance, but is responsible for other services such as sewers that a Rossmoor city would not be responsible for since those are already provided by the Rossmoor-Los Alamitos Sewer District. Villa Park administers its services very efficiently with a city staff of ten. It contract out for its municipal services. As such, Villa Park can serve as an administrative model for a Rossmoor city.

#### ANALYSIS

#### FINANCIAL ANALYSIS

When considering a governance option, the overriding question is usually what will be the cost to the resident taxpayer. This analysis attempts to answer that question. Table 4-1 summarizes the expected revenues and expenses for a Rossmoor city. The attached consultant report shows the details of the data that were developed by the consultants (Burr and EPS) that the RPC retained for the governance studies. The sources for the data are noted there.

Revenues. Presently, about \$0.5M of Rossmoor's property tax goes to the RCSD and about \$0.65M goes to the County. The total amounts to \$1.15M or 9.6% of property taxes going to pay

\$0.82M would go to Rossmoor, though this is subject to negotiations. The remainder goes to the County for its regional services. Sales tax revenues are from the Rossmoor Square businesses that presently go to the county. The other revenues in Table 4-1, except for the Lighting Assessment, also presently go to the County. The vehicle license fee (VLF) revenues will depend upon whether the state legislature reinstates the fees taken from new cities (AB 1602). If it does, it would also include a boost for the first five years for a new city. The revenue column in Table 4-1 shows two revenue streams, one with the present VLF law and a 7% utility users' tax and the other with the restored VLF and with a 3% utility tax. The two totals reflect the range of revenues that could reasonably be expected.

Expenditures. The biggest expenditure item is for law enforcement. The law enforcement figures for this shown in Table 4-1 (and in the consultant report) are taken from the LAFCO MSR report for the costs provided by the county for the services of the Orange County Sheriff. It is also in line with contracts that Villa Park and Laguna Woods have with the Sheriff. The facilities, parks, recreation, trees, street lighting and street sweeping are from what they presently cost the RCSD. Public works expenditures are primarily those for maintaining roads, curbs, gutters and sidewalks presently provided by the county. Urban Development expenditures are those for home building and remodeling services as detailed in the consultant report. The figures used were obtained by examining similar small cities and averaging their costs.

The results show that a utility tax would be needed to balance a budget and to build up a surplus. A utility tax rate of 3%, less than charged by Los Alamitos (6%) and Seal Beach (11%), appears sufficient if the VLF is restored to provide a positive operating margin.

Table 4-1
Summary of Proposed Budget for Rossmoor City

Revenues		
Taxes	\$1.55 M	
Utility Tax	\$0.90 M	\$0.4 M (3% tax)
Licenses & Permits	\$0.15 M	
Vehicle License Fees	\$0.07 M	\$0.59 (if AB 1602 passes)
Other Intergovernmental	\$0.12 M	
Fines & Forfeitures	\$0.01 M	
Service Charges	\$0.14 M	
Misc.	\$0.04 M	
Total Revenues	\$3.07 M	\$3.08 M (if AB 1602 passes)
Expenditures		
Administration	\$1.00 M	
Law Enforcement	\$1.17 M	
Urban Development	\$0.33 M	
Parks & Recreation	\$0.15 M	
Streets & Sidewalks	<b>\$</b> 0.41 M	
Total Expenditures	\$3.05 M	
Surplus	\$0.02 M	\$0.03 M

# Other costs that will need funding:

Start up costs Capital improvements

# ADVANTAGES TO INCORPORATION

- It would be a permanent form of governance. There would be no need to revisit the issue with LAFCO or the county again in the future.
- It would provide the greatest amount of local control over services.
- Codes and ordinances could be tailored to local desires and needs.
- It would provide the greatest control of revenue streams.
- Problems could be resolved locally instead of having to go and deal with Santa Ana.
- A city would have more prestige than an unincorporated area and more influence in dealing with regional issues.
- It could control its own zoning.

# DISADVANTAGES TO INCORPORATION

- Start-up costs could be significant.
- A city takes on more liability though that is covered by insurance.
- Taxes may be needed to make up for budget shortfalls.
- It would have to take on the responsibility of dealing with state and county agencies.
- It would have to establish its own general plan and update the housing element of that plan every 5 years.
- It would be subject to state mandates.

# WHAT A ROSSMOOR CITY WOULD LOOK LIKE

The city hall for a Rossmoor city would in all probability be located where the present RCSD office is at Rush Park. There is room to expand the building as more office space is needed. The present services provided by the RCSD would be taken over by the city. Staff would have to be increased, but again using Villa Park as a model, the operation of the city could be lean. Most of the services would likely be contracted out. The reserves of the RCSD, presently about \$1.4 M, would roll over to the city which then could be used for start-up costs, capital costs and reserves. The city council meetings could be held much like they are now for the RCSD Board of Directors at the Rush Park auditorium. It is possible that meetings may have to be more frequent than once per month as it is presently with the RCSD.

While "economy of scale" is often stated as a goal for providing municipal services, a small lean operation can sometimes achieve greater economies than a larger operation because of less bureaucracy. This can be seen by comparing Villa Park and Los Alamitos per capita costs. Villa Park per capita cost is \$446 while Los Alamitos, with twice the population, has a per capita cost of \$791. This is not a complete comparison because more services are provided by Los Alamitos; nevertheless, it is instructive.

A Rossmoor city could in effect combine economy of scale with a lean operation. The economy of scale is achieved in that some services such as the sewer and fire fighting services are in effect a

joint powers authority. Almost all of the services would be contracted with large providers that already have economies of scale that Rossmoor would share, most notably the Orange County Sheriff. The Sheriff costs for law enforcement are less than half what it would cost for Rossmoor to contract with Los Alamitos or Seal Beach. The services presently provided by the RCSD would be taken over by the city. These services have a track record of experience and economy by the RCSD that should transfer over to the city. There is every reason to believe that the past strong participation of community volunteers would continue with a Rossmoor city.

## PROCESS FOR INCORPORATION

There are two ways to initiate incorporation:

- 1. By pention of at least 25% of the registered voters in Rossmoor.
- 2. By resolution of the affected local agency (RCSD).

LAFCO would then determine if a satisfactory exchange of property tax will take place (the need to be "revenue neutral with the county") and if the city would be financially viable.

If LAFCO gives its approval, an election is then held and at least 50% of those voting is required for passage.

The road to incorporation is not easy but it is doable. Two cities in Orange County have incorporated over the last 5 years. It is up to the Rossmoor residents if they want to take this path.

# CHAPTER 5: ANNEXATION TO LOS ALAMITOS

# EXECUTIVE SUMMARY

This is a report on the Annexation Study conducted by the Rossmoor Planning Committee (RPC) Annexation Subcommittee. Annexation of Rossmoor to Los Alamitos is one of the Governance options that was studied. Los Alamitos is not currently advocating Annexation. Los Alamitos has offered to participate in a study if that is the option that Rossmoor wishes to pursue.

While the Governance options study involves finding effective ways of delivering municipal services now provided by the County, it has a broader impact as it also involves financial, political and quality of life issues. An inventory of regional and municipal services and utilities was developed and reviewed to determine their impact on levels of service. Generally, there was little or no impact on the regional services and utilities. However, there could be a significant improvement on the level of service for municipal services now delivered by the County. The governmental structure for delivering services was also reviewed along with the level of representation Rossmoor would have to influence the delivery of those services. Quality of life issues such as preservation of the Rossmoor identity, ambiance, influence over actions by neighboring cities and influence for obtaining regional services were reviewed.

The study revealed that the County budget is developed for the total unincorporated area, and it is not broken down by geographical areas such as Rossmoor. Therefore, the cost of services from county data can only be obtained on a per capita basis which can be grossly inaccurate when comparing a built-out area such as Rossmoor to some of the recent developed areas in South County. To get around this problem, our consultants have projected, item by item, the new operating costs and new revenues for Los Alamitos that would be incurred if they annexed Rossmoor. Assuming that Rossmoor would pay the same 6% utility users' tax that is now paid by residents and businesses in Los Alamitos, there is still an estimated deficit of \$0.4 million. To break even, the city would need an increase in its tax revenue.

Rossmoor residents would have to pay not only the Los Alamitos current utility users' tax of about \$234 per home annually (based on an assumed monthly utilities cost of \$325), but also a special tax or assessment of \$105, per home each year, which would be collected only in Rossmoor. If assembly bill AB1602 passes, then some VLF funds would be returned to the cities, and the special tax or assessment on Rossmoor homes would be unnecessary, although the 6% utility users' tax would be necessary.

These estimates may be high because the consultants used a conservative approach to estimate the cost burden that Los Alamitos would take on if it annexed Rossmoor. Los Alamitos may see ways that the consultants' assumed costs could be reduced.

#### ANALYSIS

GOVERNANCE AND SERVICES PROVIDERS includes four categories: Governance, Regional Services, Utilities, and Municipal Services. The items in each category are listed in Table 5-1.

#### GOVERNANCE

## Representation

As indicated in Chapter 2, currently governance is provided by RCSD and the County Board of Supervisors. While Rossmoor residents have 100% representation on the RCSD Board of Directors, they only have a maximum of 20% representation on the Board of Supervisors. If Rossmoor were annexed to Los Alamitos, the City Charter requires that seven councilmanic districts be established on the basis of population, which would provide Rossmoor with slightly less than 50% representation.

#### Access.

Currently, the offices of County Municipal services providers are in Santa Ana (Grading Inspection is in Laguna Hills), requiring additional time and travel to get service or resolve issues. Annexation to Los Alamitos would improve access and reduce travel time for services. Also, access to decision makers would be enhanced due to reduced levels of government.

## Planning/Zoning

Currently Rossmoor has very little or no influence over planning/zoning decisions of adjacent cities that can have a significant impact on Rossmoor residents. An example is the development of the shopping center a few years ago. If Rossmoor were part of Los Alamitos, residents could have more influence on such decisions.

#### **Environmental**

The County as a responsible agency can comment on the impact of environmental documents, but that seldom happens. Rossmoor residents can also comment on environmental documents, but that has resulted in little or no influence on the approval of the documents. Cities have control over development projects and the approval authority of environmental documents for those projects located within the city. Rossmoor residents would have a significant voice in the type of projects and the mitigation of environmental impacts if they were a part of the city.

#### **Transportation**

OCTA with assistance from the ciries is responsible for public transportation such as busses and rail. As traffic congestion increases and a larger segment of the residents reach the age where they can no longer drive, public transportation becomes increasingly important. Cities can encourage OCTA to initiate transportation studies and require the inclusion of transportation centers in new developments as mitigation measures if appropriate. The ability of residents to get attention for their transportation needs and to take action to satisfy those needs is greatly enhanced by being a part of a city.

## Identity/Ambiance

Rossmoor has a significant name identity and an ambiance such as trees and spaciousness envied by many people. These are quality of life issues that need to be maintained, and can be, by including them as a condition of annexation.

Table 5-1	
<b>GOVERNANCE AND SERVICES P</b>	ROVIDER
PROVIDER	LOS ALAMITOS

CATEGORY	PROVIDER	LOS ALAMITOS
Governance		
Representation	County/RCSD	City Council
Access	County/RCSD	City
Planning/Zoning	County	City
Environmental	County	City
Transportation	County/OCTA	City/OCTA
Identity/Ambience	County/RCSD	City/Rossmoor
Regional Services		•
Fire & Paramedic	OC Fire	Same
Schools	LAUSD	Same
Flood Control	OC Flood Control	Same
Sewer	R-LA Sewer District	Same
Vector Control	Vector Control Dist.	Same
Utilities		
Electricity	Edison	Same
Gas	The Gas Company	Same
Water	Golden State	Same
Telephone	Various	Same
Cable	Time Warner	Same
Municipal Services	•	
Law Enforcement	County/CHP	City
Streets & Sidewalks	County	City
Permits	County	City
Code Enforcement	Coun <del>ty</del>	City
Traffic Engineering	County	City
Trash Collection	County (CR&R franchise)	City (Briggeman Disposal)
Animal Control	County	City of Long Beach
Street Lighting	RCSD	City
Street Sweeping	RCSD	City
Rossmoor Way Median	RCSD	City
Parkway Trees	RCSD	City
Parks & Recreation	RCSD	City
Signature Wall Maintenance	RCSD	City

## REGIONAL SERVICES

The providers of Fire & Paramedic, Schools, Flood Control, Sewer and Vector Control services for Rossmoor will remain the same if annexed by Los Alamitos.

#### UTILITIES

The providers of Electricity, Gas, Water, Telephone and Cable service for Rossmoor will remain the same if annexed by Los Alamitos.

#### MUNICIPAL SERVICES

As indicated in Chapter 2, there are no significant deficiencies in the services provided by the RCSD. Except, there may be opportunities to enhance the delivery of recreational activities if Rossmoor were annexed. There are, however, a number of deficiencies in services provided by the County.

Improvement in Law Enforcement services is currently under way, and should be resolved by contracting with the Sheriff. If Rossmoor is annexed to Los Alamitos, the city would provide these services.

Annexation would provide an opportunity to influence policy development and to improve the delivery of most other Municipal services provided by the County. This would result through improved political representation, more immediate access to service providers, and development of codes more relevant to our area.

#### Streets & Sidewalks

Generally these are in good condition, except for repair of damage to sidewalks due to tree roots.

#### **Permits**

The County Permit Office is in Santa Ana, which requires travel time to get a permit or deal with permit issues. The Grading Inspection Office is in Laguna Hills, that requires even more travel time, and the Inspectors charges include travel time. Permit service could be significantly improved by annexing to Los Alamitos because of closer access and the elimination of most of the bureaucratic steps and checks that are involved when dealing with the county.

#### Code Enforcement

There has been a backlog problem with code enforcement due to shortage of personnel. Outside contract officers have been working on the backlog and the county expects that it will be eliminated by the end of FY 2005-06. The county currently does not provide any information on complaints beyond when the cases have been opened or closed. This blanket policy is intended to eliminate problems that might arise in the future prosecution of cases in court. The result is a complete loss of transparency. Code enforcement would be improved by being part of a city which would act on egregious nuisances without waiting for complaints to be filed, and ought to provide more information to the community on the follow-up on complaints.

#### Traffic Engineering

The standards for traffic devices and solutions to traffic problems on arterial streets and freeways are not always applicable for resolving problems in a city, and the process to gain approval for deviations from those standards or adopting new standards are more complex and many times unsuccessful. Engineering personnel in a city would be more familiar with traffic issues in the city and could resolve problems more quickly.

## Trash Collection

Los Alamitos contracts with Briggeman Disposal for trash removal and uses specially designed trash containers to avoid direct man-handling of containers. Rossmoor, according to a recent survey prefers the present arrangement with CR&R that does not require the use of special containers.

#### **Animal Control**

The animal control shelters would be closer with easier access.

## FINDINGS

- Our consultants have projected, item by item, the new operating costs and new revenues for Los Alamitos that would be incurred if the city annexed Rossmoor. Assuming that Rossmoor would pay the same 6% utility users' tax that is now paid by residents and businesses in Los Alamitos, there is still an estimated deficit of \$0.4 million. To break even, the city would have to increase its tax revenue. This would require Rossmoor residents to pay a special tax or assessment of about \$105 per home per year, in addition to the utility users' tax of 6% on their gas, electric, telephone and waster bills. If assembly bill AB 1602 passes, the special tax or assessment would be unnecessary.
- Law Enforcement Services and Traffic Enforcement Services are inadequate, but will be improved by a proposal now being developed with the sheriff.
- The level of municipal services performed by RCSD is appropriate and responsive to the wishes of the community.
- The level of municipal services performed by the County has declined and this trend is expected to continue.
- With annexation it is believed that the level of services will improve due to closer access to service providers and a simpler organizational structure that enhances access to decision makers.
- Increased representation will provide the opportunity to develop policy and codes more appropriate for Rossmoor.
- Rossmoor will have direct influence on the planning/zoning actions of Los Alamitos.
  Rossmoor will have a direct voice in determining city projects and the mitigation of negative
  impacts that projects might have on Rossmoor. The combined size of Rossmoor annexed
  to Los Alamitos would arguably give more influence on Seal Beach to mitigate impacts of
  their projects.

#### FINANCIAL

Owners of single family homes in Los Alamitos and Rossmoor currently have exactly the same property tax structure, except for bonds already approved for acquisition of Rush Park and reconstruction of the signature brick wall. The residents of Rossmoor would continue to be responsible for payment of tax assessments on these bonds. Thus, there would be no change for Rossmoor residents in the property tax and the levies shown on the Property Tax Bill.

Los Alamitos does have a utility tax on telephone, electrical, gas, and water, that are shown as a part of the monthly bills. Currently the tax rate is 6%. At that tax rate there would be a \$0.4 million deficit. Rossmoor would have to tax itself to pay that deficit.

The current State fund allocations further discourage annexation, but that could change as there is proposed legislation, AB 1602, to allocate more vehicle license fee revenue to the annexing city. With this possible transfer, there would be a surplus after annexing Rossmoor and Rossmoor would pay only the new utility users' tax.

#### CONCLUSIONS

- Annexation to Los Alamitos could provide the opportunity to have improved delivery of municipal services, such as law enforcement, recreation, permitting, etc.
- With annexation by Los Alamitos, there would be a six percent utility tax that Rossmoor residents would be required to pay.
- If AB 1602 does not pass, there would be an additional cost to Rossmoor of about \$105 per home based upon our preliminary financial analysis
- Compared with incorporation, annexation offers the potential for greater efficiencies due to scale and for spreading out financial risk inherent in operating a city.
- There could be a possible loss of Rossmoor identity as a result of annexation by Los Alamitos.
- For Los Alamitos, there may be less political control since Rossmoor would be nearly 50% of the new city's voters.
- Being part of a larger city with 20,000 plus population could provide Rossmoor with more influence on the actions of other cities (particularly Seal Beach) who propose actions that could have a negative impact on Rossmoor.
- As a city of 20,000 plus, Rossmoor would have a greater opportunity to get attention of regional agencies to address needs in the community.

# CHAPTER 6: ANNEXATION TO SEAL BEACH

#### **EXECUTIVE SUMMARY**

This is a report on the Annexation Study conducted by the Rossmoor Planning Committee (RPC) Annexation Subcommittee. Annexation of Rossmoor to Seal Beach is one of the Governance options that was studied. Seal Beach is not currently advocating annexation and has indicated no interest mainly because of a perceived negative financial impact on the city.

While the Governance options study involves finding effective ways of delivering municipal services now provided by the County, it has a broader impact as it also involves financial, political and quality of life issues. An inventory of regional and municipal services and utilities was developed and reviewed to determine their impact on levels of service. Generally, there was little or no impact on the regional services and utilities. However, there could be a significant improvement on the level of service for municipal services now delivered by the County. The governmental structure for delivering services was also reviewed along with the level of representation that Rossmoor would have to influence the delivery of those services. Quality of life issues such as preservation of the Rossmoor identity, ambiance, influence over actions by neighboring cities and influence for obtaining regional services were reviewed.

The study revealed that the County budget is developed for the total unincorporated area, and it is not broken down by geographical areas such as Rossmoor. For this reason, the cost of services can only be obtained from the County on a per capita basis which can be grossly inaccurate when comparing a built-out area such as Rossmoor to some of the recently developed areas in South County. To get around this problem, our consultants have projected, item by item, the new operating costs and new revenues for Seal Beach that would be incurred if they annexed Rossmoor. Assuming that Rossmoor would pay the same 11% utility use tax that is now paid by residents and businesses in Seal Beach, there would be an estimated surplus of \$0.6 million. Rossmoor residents would have to pay the current Seal Beach utility users' tax, of about \$396 per home each year (based on an assumed combined monthly \$300 cost for gas, electric and telephone service). If Assembly bill AB 1602 passes, then some vehicle licensing fee revenue would be returned to the city and there would be a more significant surplus for Seal Beach.

#### ANALYSIS

GOVERNANCE AND SERVICES PROVIDERS includes four categories: Governance, Regional Services, Utilities, and Municipal Services. The items in each category are listed in Table 6-1.

#### GOVERNANCE

# Representation

As indicated in Chapter 2, currently governance is provided by RCSD and the County Board of Supervisors. While Rossmoor residents have 100% representation on the RCSD Board of Directors, they only have a maximum of 20% representation on the Board of Supervisors. If Rossmoor were annexed to Seal Beach, it would account for about 30% of the voters. It is not clear how Rossmoor would be represented on the city council, which now has five members elected from diverse council districts. The current city manager of Seal Beach has told the RPC that the council will remain at five members, even if annexation of Rossmoor were to take place, which he says will not happen.

#### Access

Currently, the offices of County Municipal services providers are in Santa Ana (Grading Inspection is in Laguna Hills), requiring additional time and travel to get service or resolve issues. Annexation to Seal Beach would improve access and reduce travel time for services. Also, access to decision makers would be enhanced due to reduced levels of government.

# Planning/Zoning

Currently Rossmoor has very little or no influence over planning/zoning decisions of adjacent cities that can have a significant impact on Rossmoor residents. Examples are the shopping centers adjacent to Rossmoor that were developed along Seal Beach Boulevard by the City of Seal Beach. If we were part of Seal Beach, Rossmoor residents could have direct influence on future developments.

#### **Environmental**

The County as a responsible agency can comment on the impact of environmental documents, but that seldom happens. Rossmoor residents can also comment on environmental documents, but that has resulted in little or no influence on the approval of the documents. Cities have control over development projects and the approval authority of environmental documents for those projects located within the city. Rossmoor residents would have a significant voice in the type of projects and the mitigation of environmental impacts if they were a part of the city.

### Transportation

OCTA with assistance from the cities is responsible for public transportation such as busses and rail. As traffic congestion increases and a larger segment of the residents reach the age where they can no longer drive, public transportation becomes increasingly important. Cities can encourage OCTA to initiate transportation studies and require the inclusion of transportation centers in new developments as mitigation measures if appropriate. The ability of residents to get attention for their transportation needs and to take action to satisfy those needs is greatly enhanced by being a part of a city.

# Identity/Ambiance

Rossmoor has a significant name identity and an ambiance such as trees and spaciousness envied by many people. These are quality of life issues that need to be maintained, and can be, by including them as a condition of annexation.

Table 6-1		
CATEGORY	ERNANCE AND SERVICES	
Governance	PROVIDER	SEAL BEACH
Representation		
Access	County/RCSD	City Council
	County/RCSD	City
Planning/Zoning	County	City
Environmental	County	City
Transportation	County/OCTA	City/OCTA
Identity/Ambience	County/RCSD	City/Rossmoor
Regional Services		
Fire & Paramedic	OC Fire	Same (through City contract)
Schools	LAUSD	Same
Flood Control	OC Flood Control	Same
Sewer Collection	R-LA Sewer District	City
Sewer Treatment	OC Sanitation District	Same
Vector Control	Vector Control Dist.	Same
Utilities		
Electricity	Edison	Same
Gas	The Gas Company	Same
Water	Golden State	City
Telephone	Various	Same
Cable	Time Warner	Adelphia
Municipal Services		, sacipila
Law Enforcement	County/CHP	City
Streets & Sidewalks	County	City
Permits	County	City
Code Enforcement	County	City
Traffic Engineering	County	City
Trash Collection	County (CR&R franchise)	<del></del>
Animal Control	County	City (Consolidated Disposal) City
Street Lighting	RCSD	City
Street Sweeping	RCSD	City
Rossmoor Way Median	RCSD	City
Parkway Trees	RCSD	
Parks & Recreation	RCSD	Ciry
Signature Wall Maintenance	RCSD	City
o manife name	I INCASE J	City

# REGIONAL SERVICES

The providers of Fire & Paramedic, Schools, Flood Control, Sewer Treatment, and Vector Control services for Rossmoor will remain the same if annexed by Seal Beach. Although the city

provides sewer collection service directly, LAFCO approval would be required to change Rossmoor's sewer collection provider from RLASD to Seal Beach.

#### UTILITIES

The providers of Electricity, Gas, and Telephone service for Rossmoor will remain the same if annexed by Seal Beach. Although Seal Beach provides water service directly, it would not necessarily assume water service in Rossmoor. The Cable service provider would likely be Adelphia instead of Time Warner.

#### MUNICIPAL SERVICES

As indicated in Chapter 2, there are no significant deficiencies in the services provided by the RCSD. Except, there may be opportunities to enhance the delivery of recreational activities if Rossmoor were annexed. There are, however, a number of deficiencies in services provided by the County.

Improvement in Law Enforcement services is currently under way, and should be resolved by contracting with the Sheriff. If Rossmoor is annexed to Seal Beach, the city would provide these services.

Annexation would provide an opportunity to influence policy development and to improve the delivery of most other Municipal services provided by the County. This would result through improved political representation, more immediate access to service providers, and development of codes more relevant to our area.

#### Streets & Sidewalks

Generally these are in good condition, except for repair of damage to sidewalks due to tree roots

#### **Permits**

The County Permit Office is in Santa Ana, which requires travel time to get a permit or deal with permit issues. The Geading Inspection Office is in Laguna Hills, that requires even more travel time, and the Inspectors charges include travel time. Permit service could be significantly improved by annexing to Seal Beach because of closer access and the elimination of most of the bureaucratic steps and checks that are involved when dealing with the county.

#### Code Enforcement

There has been a backlog problem with code enforcement due to shortage of personnel. Ourside contract officers have been working on the backlog and the county expects that it will be eliminated by the end of FY 2005-06. The county currently does not provide any information on complaints beyond when the cases have been opened or closed. This blanket policy is intended to eliminate problems that might arise in the future prosecution of cases in court. The result is a complete loss of transparency. Code enforcement would be improved by being part of a city which would act on egregious nuisances without waiting for complaints to be filed, and ought to provide more information to the community on the follow-up on complaints.

## Traffic Engineering

The standards for traffic devices and solutions to traffic problems on arterial streets and freeways are not always applicable for resolving problems in a city, and the process to gain approval for deviations from those standards or adopting new standards are more complex and many times

unsuccessful. Engineering personnel in a city would be more familiar with traffic issues in the city and could resolve problems more quickly.

## Trash Collection

Trash collection is provided directly by Seal Beach's franchisee—Consolidated Disposal—and is separately billed by the city. Collection occurs at least weekly, but is more frequent in some parts of the city.

## **Animal Control**

The animal control shelters would be closer with easier access.

#### FINDINGS

- Our consultants have projected, item by item, the new operating costs and new revenues for Seal Beach that would be incurred if they annexed Rossmoor. Assuming that Rossmoor would pay the same 11% utility use tax that is now paid by residents and businesses in Seal Beach, there is an estimated surplus of \$0.6 million. If Assembly Bill AB 1602 were to pass, then annexation of Rossmoor would have an even healthier effect on Seal Beach.
- Law Enforcement Services and Traffic Enforcement Services are inadequate, but will be improved by a proposal now being developed with the sheriff.
- The level of municipal services performed by RCSD is appropriate and responsive to the wishes of the community.
- The level of municipal services performed by the County has declined and this trend is expected to continue.
- With annexation it is believed that the level of services will improve due to closer access to service providers and a simpler organizational structure that enhances access to decisions makers.
- Increased representation will provide the opportunity to develop policy and codes more appropriate for Rossmoor.
- With annexation Rossmoor will have direct influence on the planning/zoning actions of Seal Beach. Rossmoor will have a direct voice in determining city projects and the mitigation of negative impacts that projects might have on Rossmoor.

#### FINANCIAL

Owners of single family homes in Rossmoor and in the College Park sections of Seal Beach currently have very similar property tax structures, except for bonds already approved for acquisition of Rush Park and reconstruction of the Rossmoor signature brick wall. The residents of Rossmoor would continue to be responsible for payment of tax assessments on these bonds. There would be very little change for Rossmoor residents in the property tax and the levies shown on the Property Tax Bill.

Seal Beach does have a utility users' tax on telephone, electrical, and gas that is shown as a part of the monthly bills. The current utility users' tax rate is 11% (except for households headed by

seniors with an annual income below \$38,500, for which the utility use tax is waived). Annexation of Rossmoor at the 11% tax rate would lead to an estimated surplus of \$0.6 million.

#### Conclusions

- Annexation to Seal Beach could provide the opportunity to have improved delivery of municipal services, such as law enforcement, permitting, animal control, etc.
- With annexation by Seal Beach, there would be an 11 percent utility tax payable by Rossmoor residents.
- It appears that there would be a substantial budget surplus (which would be even more significant if AB1602 passes) based upon our preliminary financial studies.
- With annexation by Seal Beach, there may be a risk that Rossmoor residents would assume the risk of high beach maintenance costs and aging infrastructure.
- Compared with incorporation, annexation offers the potential for greater efficiencies due to scale and for spreading out financial risk inherent in operating a city.
- Since Rossmoor would only represent about 30% of the City, Rossmoor might not have sufficient political control over decisions directly impacting the Rossmoor area.
- There could be a possible loss of identity as a result of annexation by Seal Beach.
- More influence on the actions of Seal Beach which in the past have had a significant impact on Rossmoor without any ability of Rossmoor to have a say in the decision.
- As a city of over 35,000, Rossmoor would have a greater opportunity to get attention of regional agencies to address needs in the community.

Burr Consulting Economic & Planning Systems, Inc.

# Rossmoor Governance Alternatives: Fiscal Impacts

Report to the Rossmoor Planning Committee and Orange County

here 2006

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# 1. Preface

This report provides financial and feasibility analysis of governance alternatives for the unincorporated Rossmoor community.

# Caveats

By its nature, this report scopes out likely impacts and feasibility of the various alternatives to assist the community in considering its options. The report does not and is not intended to provide a comprehensive analysis of these alternatives.

This report is not a substitute for the detailed financial analysis and planning required to process proposed governance changes. Once the governance alternative of interest has been selected and/or formally initiated, the appropriate agency(ies) would conduct a more detailed analysis of fiscal and other impacts. California law requires the agency initiating a governance change to submit to the Local Agency Formation Commission (LAFCO) a service plan including service levels, timing of service extension, service financing and any infrastructure requirements. Additional analyses required for LAFCO to consider governance changes include comprehensive fiscal analysis for incorporation proposals and cost/fiscal impact analysis for expansion of special district powers. Although not specifically required by LAFCO, annexing agencies typically conduct their own fiscal analyses when seriously considering initiating annexations. Similarly, Orange County would likely conduct its own fiscal analysis once a governance change is initiated.

# Acknowledgements

The authors thank the Rossmoor Planning Committee (RPC) members for community-specific information. The authors extend their gratitude to the various agencies that provided data and information for this study, including the Orange County LAFCO, County Executive Office, Orange County Fire Authority, Orange County Transportation Authority, Rossmoor Community Services District, and the cities of Los Alamitos, Seal Beach, Villa Park, Laguna Woods, Rancho Palos Verdes, and Palos Verdes Estates. Orange County, the Rossmoor Community Services District and the Rossmoor Homeowners Association funded this study.

# **Authors**

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This report was prepared by a consultant team—Burr Consulting and Economic & Planning Systems, Inc. (EPS)—with expertise in municipal finance and urban economics. Beverly Burr served as lead author. Walter Kieser and Richard Berkson of EPS served as advisers and reviewers. Cecelia Griego of Burr Consulting provided research assistance.

<sup>1</sup> California Government Code § 56653

<sup>&</sup>lt;sup>2</sup> California Government Code § 56800

<sup>&</sup>lt;sup>3</sup> California Government Code § 56824.12

# Summary of Findings

This report provides financial and feasibility analysis of the following governance alternatives for the unincorporated Rossmoor community:

- annexation of Rossmoor to the City of Los Alamitos,
- · annexation of Rossmoor to the City of Seal Beach, and
- incorporation of Rossmoor as an independent city.

# Governance

Rossmoor is currently governed by Orange County. Rossmoor residents vote for one of five members of the County Board of Supervisors. Rossmoor registered voters make up approximately two percent of registered voters in the second supervisorial district.<sup>4</sup>

The community would have the most control over governance if it were to incorporate as a separate city. Expanded powers for the RCSD could also enhance self-governance. Rossmoor voters would likely elect just under half of council members if annexed to Los Alamitos, and even fewer of the council members if annexed to Seal Beach or to a consolidated Los Alamitos-Seal Beach city.

# Taxes

Residents in Rossmoor's neighboring cities pay a local tax, called a utility users' tax, on their electric, gas and telephone bills. This tax is six percent of utility charges in Los Alamitos, and 11 percent in Seal Beach. Rossmoor residents do not currently pay such a tax. If the community were to become a city, Rossmoor would need to levy a utility users' tax to support itself financially as well. The only option that does not involve a utility users' tax is expansion of the RCSD powers.

# Service Levels

The governance options have the potential to change who provides law enforcement, street, traffic, water, solid waste, landscaping, recreation, planning, permitting, and animal control service in Rossmoor. Many other municipal services—fire, ambulance, sewer treatment, electric, gas, library and schools—in Rossmoor would not be affected by potential governance changes.

Rossmoor incorporation would offer the community the greatest control over service providers. As an independent city, Rossmoor could choose to provide any of the affected services directly or to contract with the County, neighboring cities or private companies

<sup>&</sup>lt;sup>4</sup> Orange County Department of Registration and Elections, Statement of Votes, November 5, 2002 General Election, December 3, 2002.

for those services. Los Alamitos would directly provide law enforcement, street, traffic, landscaping, recreation, planning, and permitting if Rossmoor annexes to this city. The solid waste hauler and animal control provider would change as well. In addition to these changes, water and sewer collection could potentially be provided by Seal Beach if Rossmoor were annexed to Seal Beach or to a consolidated city.

Governance changes offer potential for improvements in the level of municipal services. Clearly, law enforcement, traffic enforcement, animal control and permitting service levels could be improved by governance changes.

# Feasibility

Annexation to Los Alamitos may not be financially feasible. This analysis indicates that even if Rossmoor were to pay the six percent utility tax, annexation could lead to a Los Alamitos budget deficit of \$0.4 million under existing law and a modest positive impact if proposed legislation (A.B. 1602) is approved. This study makes conservative estimates of Los Alamitos' costs for servicing Rossmoor. It is possible that Los Alamitos may study the matter directly and determine that it could service Rossmoor more efficiently than we have assumed. Another option is that Rossmoor could approve a special tax or assessment to make this option revenue-neutral for Los Alamitos. Approval by Los Alamitos City Council and LAFCO would be required. The Rossmoor community could defeat annexation through a protest process involving petitioning and possibly an election. Voters in Los Alamitos could potentially be allowed by LAFCO to vote separately on annexation as well.

Annexation to Seal Beach appears to be financially feasible. This study indicates that Seal Beach would face a positive fiscal impact under existing law, The City of Seal Beach has expressed a lack of interest in annexing Rossmoor; however, this could potentially change based on the preliminary fiscal findings. Procedural hurdles for annexation are the same as for annexation to Los Alamitos.

Rossmoor cityhood is feasible if the community approves a utility users' tax. Most likely, such a tax would be lower if Rossmoor incorporates than if it annexes to a neighboring city. This study indicates a tax in the range of 3-7 percent would be needed to fund service levels comparable to existing levels. Advantages include greater control over service providers and levels as well as land use regulation. Disadvantages include the potential for inefficiencies related the small size of the city and the community accepting financial risk currently shouldered by the County. The community would need to complete a number of steps to form a city: petition signing, funding a comprehensive fiscal analysis, and shepherding the proposal through the LAFCO process. Approval by LAFCO and a majority of Rossmoor voters would also be required.

Expansion of RCSD powers is the simplest change. This option is clearly feasible from a financial perspective. Approval by the RCSD board and LAFCO would be required. Advantages include greater control over service and deployment. However, this approach will not result in Rossmoor control over ordinances and regulatory functions.

#### Rossmoor Governance Alternatives

Consolidation of Rossmoor, Los Alamitos and Seal Beach is the most complex option both financially and procedurally. This option would allow the communities to enjoy more cost-effective services due to increased scale. However, barriers to consolidation are significant: the cities of Los Alamitos and Seal Beach have different charters, tax structures, service configurations and compensation schemes. Procedural complexity is highlighted by the fact that the last consolidation in California occurred nearly 40 years ago. Ultimately, a majority of voters in each of the communities would have to approve consolidation. The authors consider consolidation implausible. However, functional consolidation through joint service provision is plausible and occurs outside LAFCO processes. Indeed, Los Alamitos and Seal Beach already benefit from such consolidation in police dispatch. Other police administrative functions and recreation are other potentially fruitful areas for cost savings through functional consolidation.

# 3. Service Providers

The governance options have the potential to change who provides law enforcement, street, traffic, water, solid waste, landscaping, recreation, planning, permitting, and animal control service in Rossmoor. Many other municipal services—fire, ambulance, sewer treatment, electric, gas, library and schools—in Rossmoor would not be affected by potential governance changes.

	Current Providers			
Service	Rossmoor	City of Los Alamitos	City of Seal Beach	
Government (including	Orange County	City of Los Alamitos	City of Seal Beach	
finance, administration,			Jan, 21 22 2000.	
public works, etc.)	1	ĺ		
Land Use Planning	Orange County	City of Los Alamitos	City of Seal Beach	
Water	Golden State Water Company	Golden State Water Company	City of Scal Beach	
Wastewater Collection	Rossmoor/Los Alamitos Sewer District	Rossmoor/Los Alamitos Sewer District	City of Seal Beach	
Wastewater Treatment	Orange County Sanitation	Orange County Sanitation	Orange County Sanitation	
Storm Water Drainage	Orange County	City of Los Alamitos	City of Seal Beach	
Roads Maintenance	Orange County	City of Los Alamitos	City of Seal Beach	
Street Sweeping	Private (Ressmoor CSD contract)	City of Los Alamitos	Private (City of Seal Beach contract)	
Street Lighting	Southern California Edison	Southern California Edison	Southern California Edison	
Median Landscaping	Private (Rossmoor CSD	City of Los Alamitos	City of Seal Beach	
Police	Orange County Sheriff, California Highway Patrol	City of Los Alamitos	City of Seal Beach	
Police Dispatch	Orange County Sheriff, California Highway Patrol	West-Comm JPA Los	West-Comm JPA Los	
Code Enforcement	Orange County	Alamitos, Seal Beach and	Alamitos, Seal Beach and	
Animal Control	Orange County	City of Los Alamitos	City of Seal Beach	
Fire	Orange County Fire Authority	City of Long Beach (contract) Orange County Fire Authority	City of Seal Beach Orange County Fire Authorit (City of Seal Beach contract)	
iolid Waste	CR&R (franchise with County)	Briggmann (franchise with City)	Consolidated Disposal (franchise with City)	
arks and Recreation	Groundskeeping: Private Facilities: Rossmoor CSD Recreation: Rossmoor CSD	City of Los Alamitos	City of Seal Beach	
ree Landscaping		City of Los Alamitos	City of Seal Beach	
thools	Los Alamitos Unified School	Los Alamitos Unified School District	Los Alamitos Unified School District	
lectricity & Natural	Southern California Edison	Southern California Edison	Southern California Edison	
A5			Southern California Gas	

#### Governance Impacts

The City of Los Alamitos currently elects its five council members at large. The City has a charter provision that City Councilmembers would be elected by district (with seven districts) if the population grows to 18,000 or more. Annexation of Rossmoor to Los Alamitos would trigger this change in governance for the City. In addition, Rossmoor would increase the population of Los Alamitos by 83 percent. Rossmoor annexation would change the Council size, composition, and members.

The City of Seal Beach currently elects its five council members by district. Annexation of Rossmoor would require the City to either create additional council districts or re-draw the boundaries of the council districts. Annexation of Rossmoor to Seal Beach would increase the Seal Beach population by 46 percent. There is significant potential for a Rossmoor annexation to change the Council composition and members.

#### Provider Impacts

Los Alamitos would directly provide law enforcement, street, traffic, landscaping, recreation, planning, and permitting if Rossmoor annexes to this city. The solid waste hauler and animal control provider would change as well. In addition to these changes, water and sewer collection could potentially be provided by Seal Beach if Rossmoor were annexed to Seal Beach or to a consolidated Seal Beach-Los Alamitos city.

Rossmoor incorporation would offer the community the greatest control over service providers. As an independent city, Rossmoor could choose to provide any of the affected services directly or to contract with the County, neighboring cities or private companies for those services.

Expanding RCSD powers would have the least impact on service providers in the community. Although the community could exercise greater control over the law enforcement service level with this option, the Sheriff would continue to provide service. This option might lead to a shift in planning from the County and to an area planning commission, if approved by the County.

#### Service Level Impacts

Law enforcement is currently provided by the County Sheriff in Rossmoor; the neighboring cities each have independent police departments. Response times for high-priority incidents are substantially faster in Los Alamitos and Seal Beach than in Rossmoor due to both quicker dispatch and travel times. Clearance rates for serious (Part I) crimes are substantially higher in Seal Beach and Los Alamitos than in Rossmoor. If annexed to Seal Beach or Los Alamitos, response times and crime clearance would likely improve the most. Incorporation or expansion of CSD powers

<sup>&</sup>lt;sup>5</sup> Scott P. Bryant & Associates. Police Services Comparison Survey: Report to the Orange County Local Agency Formation Commission, November 2004, pages 4 and 9.

would also likely improve response times, as the community would have greater input over patrol deployment by the County Sheriff.

Traffic enforcement is currently provided by the California Highway Patrol (CHP) and supplemented by the Orange County Sheriff in Rossmoor. According to RPC members, there is little CHP presence in the community and prevalent speeding along certain roads. RPC members report that supplemental Sheriff enforcement initiated in January 2006 has improved the service level; however, the Sheriff has not increased staff levels for this purpose. Each of the governance changes would involve local control over traffic enforcement, with related service level improvements.

Building and planning permit services are currently provided in Santa Ana, 16 miles from Rossmoor. Los Alamitos services are more convenient, less than two miles from the center of Rossmoor. Seal Beach services are also more convenient, 5.5 miles from the center of Rossmoor. Incorporation would offer the most convenient services. Expansion of RCSD powers could potentially involve establishment of an area planning commission to handle local zoning and use permits; however, this would require County and LAFCO approval and would not affect building permit services.

Animal control is currently provided by the County with services (dog licensing and lost pets) provided in Orange, 13 miles from Rossmoor. The Long Beach shelter is closest, only three miles from Rossmoor. The Seal Beach shelter is also more convenient, only five miles from Rossmoor. Incorporation or expansion of RCSD powers would also improve service levels if Long Beach or Seal Beach were chosen as the service provider.

#### 4. Fiscal Impacts

This report provides a <u>preliminary</u> analysis of the effects of the various governance options on the general and road funds of the respective agencies: Los Alamitos, Seal Beach and a hypothetical Rossmoor city. While these results provide a general sense of the fiscal strength of the scenarios, all deserve a closer look by affected agencies and stakeholders. The summary table (next page) shows estimates of the fiscal impacts of the various scenarios assuming they had happened a) under current law b) in FY 04-05 dollars and c) in a steady state (i.e., after short-term transition costs and revenue lags).

#### Revenues

#### **Property Tax**

Rossmoor property owners pay the property tax of one percent on assessed value. Property tax revenue is distributed to various state, regional and local agencies.

The Orange County Auditor-Controller provided actual property tax allocations for Rossmoor. Currently, \$502,050 is distributed to the Rossmoor Community Services District (RCSD) and \$645,197 is distributed to Orange County for general purposes. The Orange County Fire Authority (OCFA) receives \$1,172,755 in property taxes from Rossmoor.

The Orange County CEO provided estimates of the portion of the County's property tax share that might transfer to an annexing agency. Neither Los Alamitos nor Seal Beach is signatory to the master tax sharing agreement of the County. As a result, actual property tax allocations would be a matter negotiated by the parties after a particular governance change is initiated.

This analysis assumes that the RCSD would be absorbed into the annexing agency or the new city and that related property taxes would transfer.

In the event of annexation to Seal Beach, the Rossmoor property tax amount that is currently distributed to OCFA would transfer to Seal Beach. Seal Beach would use that revenue to pay OCFA for contract fire and paramedic service. As the property tax amount and service cost would be treated as identical by OCFA, there would be net fiscal impact on OCFA.

#### Sales Tax

A portion of the sales and use tax is credited to the local jurisdiction in which the retailer (or point of sale) occurs.

The only commercial area, Rossmoor Village Square, is in northeast Rossmoor. This commercial development includes 18 businesses: restaurants, video rental, a gas station, a video rental store and several retail outlets.

The Orange County CEO provided data on existing sales tax revenue generated in the Rossmoor community, and estimates that \$212,100 was generated in Rossmoor.

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	Annexation to Los Alamitos	Alarmitos	Annexation to Seal Beach	Seal Beach	Incorporation	
General Fund Revenues	Without Ab 1002	With AB 1602	Without AB 1602	With AB 1602	Without AB 1602	With AB 1602
Property Tax	1814 707	101.4.107	62 600 276			
Seles Tax	00,010	10/4/04	70577074	\$2,022,362	\$824,649	\$824,649
Doubmentage Transfer Tox	217,100	212,100	212,100	212,100	212,100	212,100
Parties of the second s	26,710	56,710	56,710	56,710	56.710	\$ 710
Despites License Lax	1,800	1,800	1,800	1,800	1,800	1,800
Dunity Users Lax	969,310	869,310	1,309,315	1309,315	902 634	184 841
Franchise Frees	315.307	315,307	251 994	251.994	283.651	283 651
Cincr 12x	174,597	174,597	0	6	174 597	174 507
Licenses & Permits	59,332	59,332	188,290	188.290	148.152	148 157
Vehicle License Fees	90+99	590,109	66,406	590,109	404	500 100
Other Intergovernmental	197,158	197,158	C		115.058	116.069
Charges for Services	101,919	101,919	364 484	364 484	127 541	113,73
Investment Earnings	4,674	94,674	203 127	202 202	30.00	CFC, \C.
Fines & Forfeitures	133,218	133,218	133 041	127,002	22,223	2777
Miscelancous	43,781	43.781	140 777	777 071	23,12	27.67
Loansters	189,530	180 530	113.206	14.5	212,	ctc,/c
Total	\$3,330,550	K3 954 753	002,511	0.0,011	<b>→</b>	0
General Fund Expenses		4400	67/10/10	25,597,417	\$3,069,659	\$3,077,572
Giy Council	\$30.826	20 8 32				
City Manager/City Clerk	110 153	140 153	2	2	151,148	\$51,148
Administrative Services	302611	202,413	,5,16;	75,167	309,072	309,072
City Attorney	03.75.7	4070707	97,860	02,860	189,133	189,133
Nondepartmental	366 504	85,752	64,363	64,363	100,000	100,000
Posce	137 PM	355,494	611,101	611,101	348,969	348,969
55 cm to 15 cm - 17 cm - 2	1,78/,666	1,787,666	1,085,378	1,085,378	1,100,000	1,100,000
Auto of Landinedic Service	0	0	1,172,755	1,172,755	0	0
Description Control		0	70,013	70,013	70.013	70.013
Public West	219,661	219,661	323,490	323,490	325,693	325,693
Culture & D	443,485	443,485	376,151	376,151	400,462	409 462
Miscellaneau	399,111	399,111	202,927	202,927	145,659	145,659
Total	8,655	78,655	374,557	374,557	0	°
Net Electrical	53,720,446	\$3,720,446	\$4,453,763	#453.763	\$3,649,148	\$1.040.149
1389 807 C13 907 C13 907	100000					

ment of Finance, Calirans, Los Atamitos, Seal Beach, Orange County, LAFCO. Rossmoor Community Services District, Burr Consulting, EPS

(1) Vehicle bernse for revenues would be higher if the Legislature passes proposed legislation (AB 160.2). Passage and implementation of this bill is proposed in 2006 (2). All justice tooks toly on Ceruge County Fare Authority (CCFA) for the and parametric service. Seal Beach contacts with COR Board for service.

3. Los Alainstos contacts with Long Board for annual control. Related expenses are included under nondepartmental and not separately identifiable.

#### **Documentary Transfer Tax**

Revenue and Taxation Code §11911 authorizes the County to impose a tax of \$.55 per \$500 in value of property on deeds transferring property. Section 11911 permits cities within counties that have imposed such a tax to capture half of that amount from the county.

Charter cities are allowed to impose higher tax rates. Both Los Alamitos and Seal Beach are charter cities, although neither of these cities currently imposes the tax at a higher rate. As a result, documentary transfer tax implications are identical across the three scenarios.

#### **Business License Tax**

Cities (and counties) may impose a business license tax (BLT). The BLT is levied on businesses for the privilege of conducting business in a particular jurisdiction, and is usually levied on home-based businesses as well as those located on commercial properties. Most California cities with a BLT levy the tax on the basis of employees or gross receipts; however, some cities charge a flat amount, a tax based on square footage, or do not levy a BLT at all.

Orange County does not levy a BLT, and Rossmoor businesses do not currently pay this tax.

Los Alamitos charges each business a flat amount of \$100 for an annual business license.

The Seal Beach annual business license tax is based on number of employees. A professional office in Seal Beach pays \$50 per professional member of the staff in addition to \$4 per non-professional employee. Retailers in Seal Beach pay \$50-500 depending on the number of employees.

The hypothetical Rossmoor city is assumed to charge BLT rates comparable to Los Alamitos and Seal Beach.

#### Utility Users' Tax

The utility users' tax (UUT) is a general tax imposed on the use of utility services. The tax is charged on the utility bill for electricity, gas, telephone, water, sewer and/or cable television services. UUT is a common financing source, used by 152 California cities. A number of neighboring cities—Los Alamitos, Seal Beach, Buena Park, Huntington Beach, Long Beach, and others—levy this tax to finance city services.

Orange County does not impose a UUT. Residents and businesses in the unincorporated Rossmoor area do not currently pay this tax.

In Los Alamitos, voters approved Measure Q, continuing the City's six percent UUT at the November 2002 election. The City Council is required to review the Utility Users Tax on an annual basis in considering the City's general fund budget for the upcoming year. If it determines that the City's financial condition will not be adversely affected, the

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City Council may temporarily reduce the tax rate, as it did for the periods of February 1, 2002, through February 1, 2003. The UUT was originally established in 1991.

Seal Beach levies an 11 percent UUT with an exemption for low-income seniors. The City adopted a six percent UUT prior to 1992, which is not subject to Proposition 218 vote requirements. The UUT rate was increased from six to 11 percent in 1992. If annexed to Seal Beach, Rossmoor households would pay approximately \$396 per year in utility taxes.

If Rossmoor is annexed, LAFCO would include a condition that Rossmoor will pay the UUT effective in the annexing city. Rossmoor voters would not be asked separately to approve the UUT.

The incorporation scenario would require a UUT of 3-7 percent in order to be fiscally viable at existing service levels. For a typical household, a three percent tax amounts to \$273 annually and a seven percent tax amounts to \$117.

Revenue estimates for the incorporation scenario assume that Rossmoor imposes a UUT with an exemption for low-income senior households. The authors estimate that approximately 11 percent of Rossmoor households would qualify for such an exemption based on analysis of 2000 Census data.

#### Franchise Fees

Cities are authorized to levy franchise fees on utilities in exchange for granting the utilities a franchise in its territory. In practice, a franchise fee is embedded into the utility rates and paid in the pre-tax portion of the utility bill. Franchise fees are not subject to Proposition 218 requirements.

Rossmoor residents and businesses currently pay the franchise fees that the County imposes on utility franchisees. Estimates of the current fees paid by Rossmoor were unavailable

In this report, estimates of franchise fee revenues were made using a per capita approach. First, the authors estimated the portion of franchise fees in the neighboring cities that is paid by residents: 67 percent in Los Alamitos and 75 percent in Seal Beach. The authors applied the per capita approach to estimate the amount that would be generated under the annexation scenarios. The franchise fee estimates for the annexation scenarios differ primarily due to differences between these jurisdictions in the fee magnitude and scope. The analysis assumes that a Rossmoor city would levy franchise fees of a magnitude comparable to the average of the two neighboring cities.

#### Licenses and Permits

License and permit revenue in this analysis primarily involves building permits. Seal Beach residents may purchase parking permits for parking convenience in the downtown and beach areas. The cities charge property owners for burglar alarm permits and there are other miscellaneous license and permits.

This report estimated fiscal impacts for parking and miscellaneous permits using a per capita approach. For building-related permits, the authors first assessed the portion of building permits issued for residential remodel purposes in Seal Beach and Los Alamitos in FY 04-05 based on data provided by the Construction Industry Research Board. In both cities, residential remodels made up 35 percent of permit values. The authors estimated the Rossmoor fiscal impact by assuming that the only building permit revenue originating in Rossmoor would be composed of residential remodels since the community is built out. Focusing only on the portion of building permit revenue that is attributed to residential remodels, the Rossmoor fiscal impact is based on aggregate home values in the respective communities. In other words, building permit revenue is assumed to be proportional to housing values. For the incorporation scenario, the fiscal analysis assumes full cost recovery or, in other words, that building permits and plan check fees recoup the costs of development-related services.

#### Vehicle License Fees

Vehicle license fees (VLF) were formerly a two percent fee on the market value of motor vehicles, with a portion of that revenue distributed to cities based on population. Although the two percent rate has been reduced to the present 0.65 percent rate, the State General Fund made up the difference with an offset payment. From June to October 2003, the State suspended the offset resulting in one-time revenue losses to cities, which the State has repaid in FY 05-06.

Proposition 1A, passed by voters in November 2004, eliminated the VLF offset and replaced it with a like amount of property taxes. To finance the State budget deficit, the State reduced the VLF backfill payment temporarily in FY 04-05 and FY 05-06. This reduced the VLF backfill for cities. Beginning in FY 06-07, existing cities will receive the full VLF backfill with growth based on growth in the property tax base since the FY 04-05 base year. However, cities annexing developed areas like Rossmoor do not receive property tax in lieu of VLF on the value of property at the time of annexation. The current law only provides for annexing cities to receive the population-based component of VLF (a modest amount) and to receive the in-lieu property tax for growth in the property tax base that occurs in the year after annexation or thereafter.

Proposed legislation (AB 1602) offers incorporating and annexing cities \$50 per capita in additional vehicle license fee revenue in FY 04-05 dollars with the actual amount increasing annually (by approximately seven percent in the last year). In addition, the proposed legislation offers additional revenues to incorporating cities during the first five years of cityhood. Specifically, a Rossmoor city would receive an additional 50 percent in revenues (i.e., \$25 per capita) in its first year; this boost would decline annually until the new city's sixth year when it would stabilize at \$50 per capita (in FY 04-05 dollars). The legislation is projected to be passed by August 2006. Due to an urgency clause

<sup>&</sup>lt;sup>6</sup> For property tax purposes, the assessed roll value on January 1 of the preceding fiscal year reflects the tax base in the current fiscal year.

included in the current draft of the bill, the legislation would become effective immediately after being signed by the Governor.

The revenue estimates in this study have been provided both under existing law and under the assumption that AB 1602 is adopted.

#### Other Intergovernmental

In addition to vehicle license fees, cities receive other intergovernmental revenues. Such revenues may include competitive grants as well as revenues received by agreement with other agencies.

In the base year for this analysis, Los Alamitos received other intergovernmental revenues. Seal Beach did as well, but posted these revenues as transfers. For transparency of the results to the potential annexing agencies, the analysis has retained these reporting differences by the two cities.

For purposes of incorporation related estimates, the authors calculated the average per capita amount of other intergovernmental revenues received by comparison cities: Los Alamitos, Seal Beach, Villa Park, Laguna Woods, Rancho Palos Verdes, and Palos Verdes Estates.

#### Charges for Services

Cities levy service charges and fees for a variety of purposes, including recreation programs,

In the base year for this analysis, Los Alamitos received other intergovernmental revenues. Seal Beach did as well, but posted these revenues as transfers. For transparency of the results to the potential annexing agencies, the analysis has retained these reporting differences by the two cities.

Charges for services were estimated using various approaches depending on which was most relevant to the particular charges. Plan check and related charges were estimated using the same approach as was used for estimating building permit revenue. Alarm, sweeping, tree trimming and other miscellaneous fees were estimated on a per household basis. Recreation revenue estimates were premised on the assumption that 85 percent of Rossmoor residents are already relying on Los Alamitos recreation programs.

Seal Beach directly collects solid waste service charges and remits them (net of an administrative charge) to the solid waste hauler. As a result, service charge revenues under the Seal Beach annexation scenario are relatively high compared with the other scenarios.

#### Investment Earnings

Investment earnings include not only interest but also rents on any City-owned properties. In this analysis, such revenues were estimated on a per capita basis for the annexation scenarios. This approach is most relevant since the analysis is focused on the long-term, or steady state, impact of the governance changes rather than being a

comprehensive cash flow model. In the incorporation scenario, the analysis simply assumes that existing RCSD interest revenues would be earned by the incorporating city.

It should be noted in all cases that the RCSD fund balance would transfer to the annexing city or to a new Rossmoor city. At present, the unreserved fund balance is approximately \$1.4 million. Clearly, under any of the scenarios, actual investment earnings would likely be greater than has been estimated in this analysis.

#### Fines and Forfeitures

Cities receive revenues primarily from fines for moving violations and parking tickets.

In addition, Seal Beach receives fees from inmates staying in the city's jail due to a relatively high service level in the city jail compared with other alternatives. In this analysis, jail related revenues (and costs) are assumed to increase as a result of annexing Rossmoor based on the percentage increase in police service calls.

#### Expenditures

This analysis estimates the expenditure effects of the scenarios. The annexation analysis assumes that the existing Los Alamitos and Seal Beach service levels and cost structure would be implemented in the annexed area, and does not assume that scale efficiencies would be gained. The incorporation analysis assumes that the existing County and RCSD service levels would be retained and that the County would provide contract services (Sheriff and streets) at rates comparable to current costs.

#### City Council

The Los Alamitos annexation scenario assumes that council expenses would increase 40 percent as a result of annexation. The city's charter has a provision that two additional council seats would be added in the event the city should grow in size of the magnitude involved in annexing Rossmoor.

The Seal Beach annexation scenario assumes that council expenses would be unaffected.

The incorporation scenario assumes five council members would each receive a stipend of \$250 monthly and that council expenses (i.e., memberships and travel) would cost \$35,000.

#### City Manager and City Clerk

City Manager and City Clerk expenses involve certain costs, such as attending and supporting council meetings, that do not relate to city size and other costs, such as managing employees and responding to constituent requests that do increase with both city size and the scope of services provided directly by the city.

The Los Alamitos and Seal Beach annexation scenarios assume that 75 percent of City Manager and Clerk expenses are fixed costs in that they do not relate to city size. The remaining 25 percent of existing costs is assumed to relate to workload and activities that

would increase if Rossmoor were annexed and those costs were estimated using a per capita approach.

The incorporation scenario assumes that the new city would directly provide city management and city clerk services with a staff of three: a city manager, a city clerk and an assistant. The cost estimates include employer-paid taxes, employee benefits (a cafeteria plan of \$12,000 per employee as is used by Laguna Woods), and expenses. Detailed assumptions for compensation levels and expenses may be found in the detailed tables at the end of this report.

#### **Administrative Services**

Administrative services involve the accounting, treasury, human resources and information technology functions.

The Los Alamitos and Seal Beach annexation scenarios assume that 50 percent of Administrative Services expenses are fixed costs in that they do not relate to city size. The remaining 50 percent of existing costs is assumed to relate to workload and activities that would increase if Rossmoor were annexed and those costs were estimated using a per capita approach.

The incorporation scenario assumes that the new city would directly provide these services with a staff of two: an accountant and an assistant.

#### City Attorney

City legal services include attendance at council meetings as well as handling of litigation.

The Los Alamitos and Seal Beach annexation scenarios assume that 67 percent of legal services are fixed costs in that they would be unaffected by annexation. The remaining 33 percent of existing costs is assumed to relate to workload and activities that would increase if Rossmoor were annexed and those costs were estimated using a per capita approach.

The incorporation scenario assumes that the new city would retain a law firm to provide legal services. Estimated annual costs are \$100,000. By comparison, Palos Verdes Estates spends approximately this amount on legal services and Villa Park (somewhat smaller in size) spends substantially less. Legal expenses for cities such as Los Alamitos with their own police departments are not comparable as the contemplated Rossmoor city would not be providing such services directly.

#### Nondepartmental

Nondepartmental expenses include general overhead expenses, such as building maintenance, auto expenses, capital leases, general liability insurance, and workers' compensation.

Los Alamitos and Seal Beach differ in the extent to which certain expenses are classified as nondepartmental. In addition, Seal Beach makes certain debt payments from its general fund that are included as nondepartmental expenses.

For the annexation scenarios, building maintenance expense impacts are expected to be comparable to existing RCSD expenses for building maintenance. For the annexation scenarios, most other nondepartmental expenses are assumed to increase in proportion to the estimated fiscal impact of Rossmoor annexation on expense categories staffed directly by city employees.

For the incorporation scenario, building maintenance is estimated to cost 20 percent more than the existing RCSD expense. Insurance is estimated to cost \$75,000, which is substantially higher than the amount paid by Villa Park (a contract city); insurance costs depend primarily on City payroll and the scope of City operations but also on litigation history and other risk factors. The analysis provides for five vehicles to be leased by the new city in addition to a fuel and repair budget. In addition, the analysis provides for a \$100,000 contingency fund under the nondepartmental budget; in light of the \$1.4 million fund balance that would transfer from RCSD to the new city, the new city would also have substantial reserves to draw upon for one-time expenses.

#### **Public Safety**

Law enforcement is provided directly by Los Alamitos and Seal Beach. Rossmoor is presently served by the Orange County Sheriff. Service levels vary among the providers. All scenarios assume that each provider's service level remains the same. In other words, annexation to Seal Beach (where response times are lower than in Rossmoor) would involve policing expenses on a par with existing service levels in Seal Beach.

For the most part, the annexation scenarios assume that most law enforcement costs would be affected based on the increase in police-related service calls that would result from annexation. The incorporation scenario assumes that Sheriff would provide by contract services at a rate comparable to the existing cost.

If annexed to Seal Beach, there would be no net fiscal impact for fire and paramedic service. According to OCFA, Seal Beach would be expected to pay an increase in its contract fee equivalent to the Rossmoor property tax amount currently distributed to OCFA. Annexation to Seal Beach would mean that the Rossmoor property tax going to OCFA would transfer to Seal Beach.

Seal Beach annexation is estimated to increase that city's animal control costs based on the per capita approach. Similarly, animal control expenses for the incorporation scenario are assumed to be comparable to the marginal fiscal impact on Seal Beach or, in other words, that the new city would contract for service with Seal Beach.

#### Urban and Community Development

Urban and community development functions include planning, building inspection and code enforcement. Much of these service costs are development-related. Although

Rossmoor does not have vacant land for new construction, there is substantial remodeling activity that would require related permits and planning services.

For building and planning costs, the authors first assessed the portion of building permits issued for residential remodel purposes in Seal Beach and Los Alamitos in FY 04-05 based on data provided by the Construction Industry Research Board. In both cities, residential remodels made up 35 percent of permit values. The authors estimated the Rossmoor fiscal impact by assuming that the only building and planning cost impacts would be composed of residential remodels since the community is built out. Focusing only on the portion of building permit revenue that is attributed to residential remodels, the Rossmoor fiscal impact is based on aggregate home values in the respective communities. In other words, building and planning marginal costs are assumed to be proportional to housing values and related permit revenue. For the incorporation scenario, the fiscal analysis assumes that the new city directly employees a planning administrator and retains a private firm to provide planning counter, code enforcement and building inspection services. This approach is used in neighboring Los Alamitos where these functions are staffed by a private company, but yet provide service from city hall.

#### **Public Works**

Public works expenses include both operating costs typically paid by the general fund and capital costs typically paid through capital funds. Operating costs include activities such as tree trimming, street sweeping, and complying with stormwater regulatory requirements; whereas, capital costs involve expenses such as rehabilitation of street pavement or replacement of trees.

Because Rossmoor is a walled community and includes no arterials, there is substantially less traffic volume (and related wear and tear) on Rossmoor roads than on average in Los Alamitos and Seal Beach. Thus, estimated traffic volume is a significant factor in the cost analysis.

Los Alamitos and Seal Beach differ in financing public works activities. In the annexation scenarios, street maintenance expenses are estimated based on traffic volumes. Street sweeping expenses are estimated based on street mileage. Engineering expenses are estimated based on residential remodel activity. In addition to operating expenses, the report identifies recurring street capital expenses of the two cities based on their respective capital improvement plans and estimates the capital costs of providing a similar level of service in Rossmoor. Street capital estimates are based on traffic volume. Sidewalk costs are based on street mileage with an extra 20 percent premium added to account for the concentration of trees in Rossmoor and related effect on sidewalk repairs. Tree-related capital cost impacts are assumed to be equivalent to the existing RCSD expense for tree replacement.

For the incorporation scenario, the analysis assumes that the new city would directly employ a public works administrator who would also function as the city's engineer. In addition, the new city is assumed to contract for tree trimming, street sweeping and street

lighting at the existing RCSD operating expenses. The new city is also assumed to contract for storm drain maintenance. The new city is assumed to contract with Orange County for street maintenance at the existing cost of the County's services on Rossmoor pavement. In addition, the analysis assumes the new city would contract for capital expenses for sidewalk, curb and gutter repair at rates comparable to those paid by Los Alamitos and Seal Beach and that the new city would continue to expend \$20,000 on replacement of trees. The new city's street capital revenue stream—gas tax allocations and Measure M funds—would cover identified capital expenses without need for a general fund contribution.

#### Parks and Recreation

Parks and recreation expenses involve park maintenance and recreation programming.

Annexation-related cost impacts are based on assumptions regarding existing use by Rossmoor residents of Los Alamitos recreation programs. Although RCSD offers limited recreation programming, neighboring Los Alamitos offers substantially more recreation services. Based on interviews with RPC members, the report assumes 85 percent of Rossmoor residents already rely on Los Alamitos recreation. Annexation to Los Alamitos is assumed to increase costs only based on the remaining 15 percent of residents who would be expected to begin using Los Alamitos recreation services. Annexation to Seal Beach is assumed to increased costs marginally assuming that 10 percent of Rossmoor residents already use Seal Beach recreation programs, 40 percent shift to using Seal Beach, and the remainder continues to use Los Alamitos.

Park maintenance costs are estimated based on existing service levels. In the annexation scenarios, the analysis assumes that the annexing city's existing expenditure per park acre would be applicable to the 17 park acres in Rossmoor for which the new city would become responsible. In the incorporation scenario, the new city is assumed to spend the same amount on park maintenance as is currently spent by RCSD.

The incorporation scenario also assumes that the new city would continue to spend the same amount on recreation programming as is spent by RCSD and that 25 percent of the planning administrator's time would be allocated to managing park maintenance and recreation functions.

#### Miscellaneous Costs

Miscellaneous costs include capital outlays and transfers from the general fund to other city funds. This cost category is only applicable to the annexation scenarios.

Los Alamitos provides for capital outlays and also transfers from the general fund to a capital fund and to support the Air Force Reserve Center pool. The analysis provides for Rossmoor related expenditures for capital outlays using a per capita estimation method. Annexation would not affect the transfer for the pool. Annexation would not affect capital transfers as gas tax and Measure M revenue would cover street-related recurring capital expenses in Rossmoor at existing Los Alamitos service levels.

Seal Beach miscellaneous expenditures include pass-through of garbage fees to the hauler, capital outlay (vehicles), transfer to subsidize the Tidelands Beach Fund, and transfer for capital projects. The garbage hauler payment was estimated based on per home costs, since this service is residential. The capital outlay for vehicles was estimated based on the percentage increase in Seal Beach costs for directly staffed functions. Annexation would not affect subsidy needs for the Tidelands Beach Fund. The transfer for capital projects was estimated based on the funding need for street capital projects (i.e., the amount of street capital needs that would not be covered by gas tax and Measure M).

Rossmoot Community Presiminary Fiscal Impact Analysis—General and Street Funds Annexation to Los Alamitos Scenario Figures in FY 04-05 dollars

	Existing City	Rossmoor		
	of Los	Annexation	A.	
GENERAL FUND	Aismitos	Impact	Amexation City	<b>5</b> 0.2
General Fund Revenues	19,512,087	\$3,330,550	\$12,842.637	
1 2003	\$6,565,777	52.442.732	602 800 63	
Property Tax	\$1,206.584	\$814.707	£2 021 201	Ross thousand form Course (1900 OK OK)
Lighting Distract	1194,269	174 597	776 8713	Tracefor of BCCD Charles County (1.1 0000), assumes 40.002.70 of County State datasets
Sales Tax	1330,701	1212190	E3 042 801	Programme for the first for th
Transferst Occupancy Tax	\$72,160	S	100,000	Notes of the state of the second
Documentan Transfer Tax	184 000	0,0 /20	001 T/ *	No botes in Kosmoor
Pranchas Fees	100 013	01/05	1140,739	Allocated on assessed value, assumes Roumoor surnover rate a average of Seal Beach and Los Alamitos
(thirt Heers Toy	*05,500	1315,307	1854,611	Per expets allocation for 67% of existing Los Al revenue; remainder a non residental
Assessments	31,038,730	1869.310	C,508,040	Assumes \$325 in whity sales monthly per household (phone, water, gas, power)
	118.949	<b>3</b> .	\$18,949	Assumes that this modest Los Alamitos assessment is not extended to Rosmoon
Lucibes of remain	\$534,462	\$61,132	1595,594	
Comuls Duriong stud Planning	\$146,710	\$59,332	200,042	Allocate of sepregate home values the residential remodel share (35%) of Les Alamins oceans values
Dustriess Lucinse Tax	1387,752	008,13	1389.552	18 businesses at Romanon Village Same sech sammed to have 1.20 sections
Incomendation of the contract	\$985,993	\$263,564	11249,557	
VLF	\$20,055	\$04,40¢	\$826.461	Uses \$6.34 per central of AS 1600 peaces 107 Percented rates \$524.000 addition.
Other	\$225,938	\$197,158	\$403.096	Programme a benefit and the second se
Charges for Services	\$726,739	\$10,018	\$828 658	
Recreation Pres	\$635,210	\$47.737	782 047	Assistance 95% of December 12 to 12
Plan Checks	354,866	127 189	177 DAS	Allocate on account a home unique the middle of the function (2007) of a
Alaem Fees and Other	136,663	131 991	CCO. SA	Decree 1
Use of Money & Property	\$108,494	194674	6204 168	The Asset Black Black
Fines & Porfesiures	\$152,664	8131318	007 00-	במי המאות החסכים מינו
Parking Citations	692 623	600 600	700,000	and the second s
Vehicle Violations	140 147	120,000	\$155.074	Altocated 15% of revenue using per capita approach, remainder is assumed business related
Contabulacius	1135	100,000	200,500	Abouted 15% of reverse using por capita approach, temanider is assumed business related
Мисевансона	200 KBB		\$1,16	Unaffected by americation
Translers	27.7 10%	100 610	1244,469	Mostly undirected (miscellaneous rembuscements), 25% allocated using per capta approach
General Fund Expenditures	60 447 089	7000 000 100	97/30	Per catala allocation
General Government	PS 000 937	Oct 1010	412,108,435	
City Council	11 000	1,01,869	12,882,701	
City Manager/City Clark	000//	230,02	\$107,892	40% cost increase due to semenation triggered change from 5 to 7 council seats
Admission from Contract	286,182	\$119,152	\$665,334	Per captite allocation for 25% of costs, retnaming 75% unaffected (fixed operating costs)
City Apparent	1464,448	#5000 €	1667,092	Per capita alboration for 50% of costs, remaining 50% multiprind (freed operating costs)
No. of the second secon	230,842	\$R3,752	1374,594	Per capata allocation for 13% of costs, tennasurg 67% unaffected (fixed operating costs)
Durance manufacture	<b>\$</b> 157,194	\$120,530	1277,724	Existing RCSD building maintenance expense
Krentment	147,687	\$41,613	\$89,300	Increase based on 38% promate in costs for describe stellfed City functions
intuiting public lability & worker's comp	1372,840	\$142,072	\$514.912	Interest based on 18%, norman in course for disease, as the Course to the course
Benefits habity reserve	\$120,982	\$46,101	\$167.083	Increase based on 18%, memory in create for elevents and fine face increase.
LKS 125 medical	105,518	\$5 179	021 8 170	Torrate based on 280.
				ALLEGE CHISCO (AL 30 % The bease of cooks for directly stated Lity states,

continued

144,000 None farmus contrabation unaffected
160,079 None affected securing street-related capital projects are fally funded. See capital fand below

87,860,550 RCMD unreserved fund balance (general and rapital projects) would tanafer to the anneaing out 1225,799

\$1,477,000 \$389,897 \$1,087,103

\$6,383,550 \$64,098 \$6,447,648

\$46,995 \$78,655

Pursters Air Porce Reserve Center pool

Captal property General Fund Balance Beginning, Undergoused Surplus Defect Ending Balance

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110 1755,693 Allocated based on direct expendinges 1825,775 Allocated based on park acrange 1872,335 Assumes 85% of Rosmood residents already use Los Alamitos recreation programs 1868,791 Per capita allocation Annexation Cay 11.787.666
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Annexation to Los Alamitos Scenario Annexation | Hotelee | Hote Existing City 9 Administration & economic development Street mantain street, supuls, drans, GENERAL FUND
Public Safety
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Sute group supported functions
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Park maintenance
Recreation programs
Capital Outley Engineering Street sweeping blic Works

Rossencor Community Preliminary Fiscal Impact Analysis—Street Capital Fund Annessation to Los Alamitos Scenario Figures on FY 64 05 dellas

-	Existing City	Rossmoor		
	of Los	Annexation	Post-	
CAPITAL PLND	Alaquitos	Impact	Annexation Gry	**oZ
Street-Related Revenues	1275,000	1255,425	\$530,425	
(344 Jax	000(57	\$133,407	\$158.407	Per capita allocation ner Californa code ner of transiters rate the centeral hand
Traffic improvement land	000'002\$	2	\$200,000	Unaffected/Immers from Contrast developments
Measure M	000'003	\$122,019	1152 019	Messure M formula state, assumes no state of connective Messure M fonds
Transfer from General Fund	000'02	2	000 023	Note weather to forece serving steel come
Annual Recurring Capital Expenses	\$275,000	\$145.039	\$420.039	
Sidewalk repairs	000'053	135,751	165.751	Affocated based on street miles and added 30% cost promains for tree incent on addressits
Experimenty street repairs	\$10,000	13,968	\$13,968	Abcorted based on estimated daily velacie, miles of in the DVMD
Artenal tree program	000,023	200'023	\$40,000	Existing RCD expense for tree canital
Street markings	\$15,000	15,951	120,953	Afforested based on extremested data which within of twitter (DVMT)
Residential aftert un provements	000'0021	\$79,367	1279,367	Allocated based on estimated daily vehicle miles of traffic (DVMT)

Rossmoor Community Preliminary Fiscal Impact Analysis—General and Street Funds Ameration to Seal Beach Scenario Figures in PY 04-05 dollars

		Nonamoor		
GENERAL FUND	Existing City of	Authorition	Post.	
9 7 7 13 1 2 2 2 2	Sent Descri	Impact	Appearation City	Note
Dert Tund Revenues	\$24,407,081	\$5,073,713	\$29,480.794	
1 2005	\$14,687,206	\$3,852,491	\$18,539,687	
1				Rosentoon Space from Condit (FY 05-00), assumes \$3,8684% of County share transfers, essumes Of Pro-
S. I. T.	\$4,588,666	\$2,023,362	\$6,611,028	where transfers-Seat Brach page for OCPA service as contract provides
Xal Otto	\$3,866,139	\$212,100	\$4,078,239	Rossandor baues from Cousty (PY 03-04)
tensent Occupancy Tax	\$623,836	æ	\$623,836	No bobs in Rosenoor
Documentary Transfer Tax	\$101,153	\$56,710	\$157,863	Allocated on asserted white manner Rotmoon himsenary rate is asserted of San Banch and I am &
Barrel Tax	\$148,730	S	1148,730	Assumes no oil in Resember
The second second	,			Assumes \$300 in uniby sales monthly per household (phone, gas, power) and 11% are exempt (sensor
Fatecher Fore	100 SHC 100	\$1,309,315	15,855,322	households with income < \$18,500)
Average	\$812,675	\$251,994	\$1,064,669	Per capita allocation for 75% of existing Seal Beach revenue; venuender is non-residential
Laborate P. D.	Q.	\$96,162	\$96,162	Transfer of RCSD lighting/landscaping revenue not of cauting lighture construc
Leaves & Perins	\$2,151,459	\$190,090	\$2,341,549	Per capita allocation
ration Permit	\$91,442	\$37,806	\$129,248	Per custia altocation
Dutaness License Tax	\$1,568,559	11,800	\$1,570,359	18 butterated at Rosemon Village County from a \$100 care for more.
Building-Related Pennuts	\$451,909	\$134,133	1586.042	Allocate on appreciate from value the search feet searched above (250%) of Carl Danish countries.
Other Licenses & Permits	695'66\$	116.351	155 000	Per results allocation
Intergovernmental	\$1,720,194	\$66.406	\$1.786.600	
VLP	\$1,821,594	166.406	\$1.898,000	These Let 24 and 25 and
Other	\$101,400	9	-1101 400	Partition of Control of the American of the World Control of the State
Charges for Services	\$2,666,913	1364 484	C) A11 107	Ventral selection of Mixed Story
Refuse Service Charges	\$826.762	C211 000	165 150 15	
Rembusements	\$472.108	2017,798	00/ 9001	Addocated per home (acrosses a condendad). Rossmoor condends would pay the City directly.
	200		X72,108	Unaffected (combusements from developers and City enterprise funds)
Roczeabon Pees	\$430 490	776 873		Assumes 10% of Rossmoor assistants already use Seal Beach recention programs, 40% shuft to using Seal
Plen Checks	£214.026	02.173	000,054	poend, terrander continue to use Los Assistos
Other Changes	1721.577	CA1 766	047140	Automate on approprie frome values the frescherical temodes share (35%) of Soal Beach permit values
Use of Money & Property	\$491,794	E-201 3.77	1000	ret movement allocation for atheries portion (e.g., skinth, switching, and tree turning fors)
Fines & Porference	\$1,196,161	193 041	121,000	FIG. CASE BECANON
Packing Citations	\$570.456	£50 003	1000,104	14.00
Vehicle Violations	\$211,483	20000	96,00	Automical 23% of revenue using per capita approach; embander a antenned beach, and haunces related
[at] Fees	4170016	000777	125,768	Allocated 25% of revenue using per capita approach, remainder is secured beach, and business related
Miscellancous	£24.167	155.00	136,000	incidate based on service call volume in Rossmook
Capital leases assued	200 1013	SCL A	137,000	Per capata alloca bost
Miscellancous	11 066 111	22,300	1147,296	Allocated based on unpact on police expenditures (for consistency with related expenditure item)
Tunsfers	All COS	6111 304	31,097,356	Mostly unaffected (\$990,537 developes donation), per capita allocation for affected portion
		OUT TO	7415,222	Per capita allocation of gas tax transfer amount, remainder unaffected (RDA and CFD membausements)

Rosemoor Community Preliminary Fiscal Impact Analysis—General and Street Funds Amnexation to Seal Beach Scenario Figures in FY 04-05 dollars

		Rossmoor		
	Exserng City of	Agnexation	Post.	
	Seal Beach	Impact	Appearation City	30 Z
General Fund Expunditures	119,253,682	£453,763	\$23,707,445	
General Government	14,286,011	1848,490	\$5,134,501	
City Council	\$67,253	2	\$67.253	Unaffected: course continues to consist of 5 members elected by distact
Cry Manages/Cry Clerk	\$727,233	\$75,167	1802,400	Per catalis allocation for 25% of costs, remaining 75% is inflected (fixed operating costs)
Administrative Services	\$473,393	197,860	\$571.353	Per carsis allocation for 50% of costs; remaining 50% unaffected (Exed operating costs)
City Attorney	\$471,747	\$64,363	\$536,110	Per capita allocation for 33% of costs; remaining 67% unaffected (tood operating costs)
Building meintenance	<b>442,415</b>	\$120,530	\$562.945	Excenting RCSD building meantenance empages
Auto mantenance	\$246,480	149,013	\$295,493	Increase based on 19% increase in contra for directly stuffed City functions
Insurance: public lability & worker's comp	\$866,466	\$62,271	\$1,038,764	Increase based on 19% increase in costs for cirrectly staffed City functions
Nondepartmental	\$654,598	\$130,168	\$784,766	Incresse based on 19% incresse in costs for directly staffed City functions
Debt payments	\$336,426	\$139,092	1475,518	
Capatal equapment lease	\$142,043	45,23	\$167,477	Vehicle loure purchase agreements, increased based on police expense increase
CPA lease	\$80,000	\$11,035	\$91.025	Per cerate allocation for 1/3 of this term immainder a sestanted to be beach related and unaffected
Other	\$114,383	2	1114,383	Capital property unproversest lease unaffected by annotation
Public Safety	505,008,03	\$2,328,146	\$12,128,351	
Police administration	\$2,204,152	110,490	\$2,598,823	Increase based on % increase in paired and deternion
Patrol/field services	\$3,447,093	644,898	1661601	Increase based on service call volume in Rosemoor (75%) and per capita (25%)
Detention	\$410,352	\$45,809	\$456.161	Increase based on service call volume in Rossmoor
Pire/paramedic	\$3,569,265	11,172,755	\$4,742,020	Per OCPA, existing Rossmoor financing of OCPA is existing prount increase
Assimal control	\$169,343	170,013	1239,356	Per carette allocation
ommunity Development	\$1,089,874	1323,490	\$1,413,364	
Administration	6306,199	\$87,916	\$384,115	Allocated based on % increase in direct enounce (nanounce and building manachon)
Plansang	\$315,081	\$93,520	\$408,601	ABoosts on agramme home values the pesukenius remodel share (35%) of Seal Beach pegnst values
Building inspection	¥78,594	\$142.053	\$620.647	Allocate on approprie frome values the negotianie remodel state (35%) of Seal Beach permit values
Public Works	\$1,076,557	1376,151	\$1,452,708	
Street patch, signals, swreping, trees	\$65,914.\$	77.472	\$1,050,821	Allocated based on caturated delay vehicle miles of traffic (DVMT)
Storm drain memtenence/NPDES	\$249,916	\$87,070	\$336,986	Allocated half based on street rules, remainder is assumed to be related to beautifront which is wasffected
Engacting	\$50,047	\$14,855	164.902	Allocate on agraceate home values the residential remodel share (35%) of Seal Beach perinst values
Culture & Recression	\$948,877	\$202,927	\$1,151,804	
Activitis tration	\$210,165	144,946	\$255,111	Allocated based on direct expenditures (pack and recreation)
Park/landscape maintenance	\$216,164	174,996	1521	Allocated based on park acrement
Recreation programs	6630 649	000	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Assumes 10% of Rosensoon residents strendy use Seal Beach recuestion programs, 40% shift to using Seal
Trash Collection		000/, 000	¥50,00	Beach, container to use Los Alamicos
John On Park	1000 / 23	1249,387	¥1,138,116	Per home allocation, service is estately residential
The County (Williams	\$102,982	£30,478	\$123,460	Increase based on % increase in costs for descrip staffed functions
TAINICES	\$1,356,646	\$104,693	\$1,461,339	
Capture projects	\$889,020	1104,693	\$17,500\$	Transfer amount needed for recurring street related capital costs not of gos tax and Mouvae M
Independs Beach Fund subsidy	1467,626	S	1467,626	Assumed to be unaffected by uncontron, no beach land is located in Rosumoor
General Fund Balance				
Beginning Underignated	\$7,168,430	\$1,477,000	\$8,645,430	RCSD unreserved tund bulance (general and capital projects) would tunater to the annexang city
Sumbus / Defect	15,153,399	056 619	\$5,773,349	
Ending Balance	\$12,321,829	056,950	\$14.418 779	

# Burr Consulting and EPS

Rosemoor Community Fiscal Impact Analysis—Street Ameration to Seal Beach Scenario Figures in FY 04-05 dollars	*Street Capital Fund			
		Rossmoor		
	Existing Gay of	Annexation	Post-	
CAPITAL FUNDS	Seal Beach	Impact	Annexation City	Note
Street-Related Revenues	\$745,000	862,095	\$1,044,298	
Gas Tax (net of general fund transfers)	\$137,622	\$72,587	\$210,209	Per capita allocation per Cahlornia code net of transfera into the general fund
Megaure M	\$779,443	\$122,019	\$401,462	Measure M fournals share; senance no there of competitive Measure M funds
Transfer from General Pund	1327,935	\$104,693	1432,628	Transfer amount needed for recurring street-related capital coats not of gas, and Mossure M
Annual Recurring Street Capital Expenses	\$745,000	867,0623	11,044,298	
Sidewalk / outb / gutter repairs	000'05\$	141,807	191,807	Allocated based on street miles and added 20% cost premium for tree appact on side wilks
Local paverners pepab	\$255,000	\$90,044	1345,044	Allocated based on estimated duly vehicle miles of traffic (DVMT)
Artenal pavement rehab	\$315,000	\$111,231		Aboated based on estimated daily vehicle quies of traffic (DVMT)
Street scaling	\$100,000	\$35,312		Alborated based on estimated daily vehicle miles of raaffe (DVMT)
Street tree planting	000 523	130,904	45,934	Allocated based on street made and added 30% cost premisers for too concentration in Resursion
Lighting District				
Revenues	\$142,141	\$78,435		Transfer of RCSD lighting / undecaping revenue portion currently used by RCSD for lighting expense
Experioditues	\$131.372	\$78 435		Existing RCSD lighting empire

Rossmoor Community Preliminary Fiscal Impact Analysis—Ceneral Fund Rossmoor Incorporation Scenario Figures in FY 04-05 dollars

	Rossmoor	
!	Incorporation	
GENERAL FUND	Impact	Note
General Fund Revenues	\$3,069,659	
Taxes	\$2,456,140	
ş		Rossmoot ligures from County (FY 05-06); assumes 50% of County share transfers to new city. In reality,
Property Bax	\$824,649	the transfer share is negotiated and based partly on County costs.
Lighting Distoct	\$174,597	Existing lighting/landscaping assessment
Sales Lax	\$212,100	Rossmoor figures from County (FY 03-04)
Transient Occupancy Tax	O\$	No hotels in Rossmoor
Documentary Transfer Tax	\$56,710	Allocated on assessed value, assumes Rossmoor tumover rate is average of Seal Beach and Los Alamites
Business Luciuse Tax	\$1,800	Assumes new city imposes \$100 tax on each of the 18 businesses at Rossmon Villam Souner
Utility Users Tax	1902,634	Assumes Rossmoor mooses 7% tax with exemptions for seniors with < \$18 500 incomes
Franchise Fees	\$283,651	Assumes franchise fees imposed at average of Los Alaminos and Seal Beach rates
Licenses & Permits	\$148,152	
		Assumes building permits and plan check fees achieve full cost recovery for building inspection. for 50%
Building-Related Permits	\$131,800	of planning, for 25% of urban development administration, and for 50% of engineering costs.
Other	\$16,351	Assumes new city charges alarm and miscellaneous permits at Seal Beach rates
Intergovernmental	\$182,363	
ďΤΛ	<b>6</b> 64 404	Uses \$6.34 per capita, if AB 1602 passes VLF would raise \$786,000 additional in year 1, \$524,000
	200	Decoming in year o
Other	\$115.958	res equita average. Los mannos, oca deach, visa track, Laguna Woods, Nancho Palos Verdes, Palos Verdes Espares
Charges for Services	\$137,543	
Recreation Fees	\$40,450	Existing CSD recreation fee revenue (budgeted FY 04-05)
		Assumes building permits and plan check fees achieve full cost recovery for building inspection, for 50%
Oshar	\$59,215	of planning, for 25% of urban development administration, and for 50% of engineering costs.
1 se of Money & December	6/8/3	Assumes miscellaneous charges (e.g., alarm fees) are average of Los Alaminos and Seal Beach
Fines & Roofing	\$12,235	Existing CSD interest revenue (budgeted FY 04-05)
nes de l'Originales	\$95,733	
Parking Catabons	\$60,222	Assumes lines are average of Los Alamitos and Seal Beach
Vehicle Violations	\$30,724	Assumes lines are average of Los Mamitos and Seal Beach
Miscellaneous	<b>14,</b> 773	Assumes tines are average of Los Alamitos and Seal Beach
Miscellancous	\$37,513	Assumes per capita average of Los Alamitos and Seal Beach miscellaneous revenues

continued

Burr Consulting and EPS

Rossmoor Community Preliminary Fiscal Impact Analysis—General Fund Rossmoor Incorporation Scenario Figures in FY 04-05 dollars

	Incorporation	
GENERAL FUND	Impact	Note
Cremeral Fund Expenditures	\$3.049.148	
General Government	\$998,321	
City Council	\$51.148	\$300 monthly street strophies team? and membershine for 5 member council
City Manager / Gity Clerk	1309,072	City Manager, Clerk and assistant salaries, herefits and encourage, 1945 0000
Administrative Services	\$189,133	Accountant and assistant salaries herefits and evenues (\$40,000)
City Attomey	\$100,000	ASSUMES Contract with onwate attorney (ronnarable to Paloc Verder Resorve Dolling Hills Resorve)
Nondepartmental	\$348,969	Control of the Contro
Building maintenance	\$144,636	Existing RCSD expense plus 20 percent additional
Insurance: general liability	\$75,000	Conservative assumption, substantially lower than other small contract cities (Villa Park Bradhing)
Vehicle lease and maintenance	\$29,333	5 vehicles: Lease, fuel and maintenance
Contingency	\$100,000	
Public Satety	\$1,170,013	
Police and supplemental traffic enforcement	\$1,100,000	Assumes new city contracts with Sheet F
Animal Control	\$70,013	Assumes contract service with Seath
Urban Development	\$325,693	
Administration	\$100,678	Assumes 75 FTE staff administrator salary howefite and account. (\$10 000)
Planning	\$120,939	Assumes contract service with private remarker (1728 men house of \$70 (km)
Code enforcement	\$25,000	Assumes contract service with ocurrent occurrents.
Building inspection	\$79,076	Assumes contract service with occurrence consider (0.10 mm), to \$95 (10.11)
Highways & Streets	\$409.462	the state of the s
Administration	\$102,601	Assumes 5 FTF staff administrator / warman in handle and and me
Street maintenance	\$35,000	Contract with Courts and and a Contract
Street lighting	\$78,435	Existing (SI) expense contrast contrast
Street sweeping	\$40,824	Existing CD expense-contact service
Storm drain maintenance	\$50,000	Contract service
Engineering	\$52,601	Assumes 5 FTF craft administrator
Culture & Recreation	145,659	and the state of t
Administration	\$43,559	ASSUMES 25 FTF staff administrator salam benefits and mount. And mon
Park maintenance	189,100	Existing CSD expense
Recreation programs	\$13,000	Existing CSD expense
General Fund Balance		
Pregnang Undesignated	\$1,477,000	RCSD unreserved fund balance (semeral and capital projects) would marefer to the new cite
Surplus/ Deficit	\$20,511	מינים של מינ
Ending Balance	113 201 13	

Rossmoor Community Preliminary Fiscal 1	Impact Amakana	
Rossmoor Incorporation Scenario	ten	
Figures in FY 04-05 dollars		
	Ковятоог	
	Incorporation	
CAPITAL FUND	Impact	30 Z
Street-Related Revenues	1309,297	
Gas Tax	\$187.279	Per capita ullocation cor California code.
Measure M	1	Manual M.
Transfer Iron Connect Day	A TOPPORT	pressure in rothing snare, assumes no share of competitive Measure M tunds
The second secon	O.	Amount paid out of general fund above
Аппия Кеситінд Ехрепяся	\$298,678	
Sidewalk/curb/gutter repairs	\$38,779	Contract service (average of Seal Beach and Los Alamitos expanse prometate)
Pavement improvements	\$239,899	Contract with County (existing County expense)
Trees	000 003	Tree trail assembly hidden Freignar CCD among
	2225	

Incorpora	Incorporation Scenario	Salary	rio Salary, Expense and Contracts Assumptions	se and (	Cont	racts	Assun	aptions					1
NEW STAF	NEW STAFF POSITIONS												
	;			Emp.									
Department Position	Position	#	Base Salary Tax		Benes	y:	Expenses	es Total		Emp. Tax included	include	Ą	
City Council Member	Member	iS.	3,000	7.65%			\$ 35,000		51,148	FICA, Medicare	licare		Т
City Manager	ity Manager City Manager	<b>-</b>	118,000	9.65% \$	•	12,000	\$ 45,000		186,387	FICA, Med	licare, W.	FICA, Medicare, Workers Comp	
Caty Clerk	City Clerk	1-	55,000	9.65%	<b></b>	12,000	<b></b>		72,308	FICA, Med	bcare. W.	FICA, Medicare, Workers Comp	T
Caty Clerk	Assistant	1	35,000	\$ %59.6		12,000	<b>5</b>	5	50,378	FICA, Med	licare, W.	FICA, Medicare, Workers Comp	T
Admin Svcs	J	1	70,000	9.65%	 	12,000	\$0,000		138,755	FICA, Med	icare, W	FICA, Medicare, Workers Comp	T
Admin Svcs	Assistant	1	35,000	9.65%		12,000				FICA, Med	icare, W	FICA, Medicare, Workers Comp	T_
Planning	Administrator	0.75 \$	75,000	%59.6	•••	12,000	\$ 30,000		100,678	FICA, Med	scare, Wo	FICA, Medicare, Workers Comp	T.
Pub Works	Admin/Engmeer	0.5	85,000	9.65%		12,000	00005			FICA, Med	care W	FICA, Medicare, Workers Comp	L
Pub Works	Admin/Engineer	0.5 \$	85,000	9.65%	**	12,000	•		52,601	FICA Med	icare W	FICA. Medicare Workers Comp	T
Park & Rec	Park & Rec Administrator	0.25	75,000	9.65%	54	12,000	\$ 20,000		3,559	FICA, Med	icare W	43.559 FICA Medicare Workers Como	Τ.
SERVICE C	ONTRACTS										5		J
Increased	City Attorney							\$10	\$100.000				Τ-
Existing	Landscape maintenance	ance						3	\$89,100				1
Existing	Tree tramming							\$10	\$105,000				T
Existing	Street light maintenance	nance		!				\$	\$78.435				Т
Existing	Street sweeping							<del> </del>	\$40,824				T
New.	Sheriff							\$1.10	\$1,100,000				Т
New	Planning							\$12	\$120,939				Т
New	Code enforcement							\$2	\$25,000				1
New	Building inspection	1						2	920 625				Т
Nex	Storm drain maintenance	nance						\$5	\$50,000				Т
Zew.	Street (pavement) maintenance	nainten	ince					\$23	\$239,899				Т
New	Sidewalk/curb/gut	/gutter repair	ī					<b>≈</b>	\$38,779				T
New	Animal control							\$7	\$70.013	:			Т
									2				7

	Rossmoor	Los Alamitos	Seal Reach
Population			
2000 Census	10,252	11,260	24.283
2005 (DOF)	10,474	12,003	25,334
2005 (SCAG)		12.224	25.628
Children (2000 Census)	2,788		3,440
Households			
2000 Census	3,715	4,246	13,048
Avg. HH Size 2000	2.77	2.62	1.83
2005 (DOF)	3,715	4	13.239
Jobs			
2005 (SCAG)	150	16.535	8 629
Jobs per capita	0.01	1.38	0.34
Land Area (sq mi)	1.6	4.0	11.5
Developed Area (acres)	0.886	1,073.9	1,480.3
Park acreage	17	28	49
Beach acreage	0	0	50
Street Miles	33.00	33.23	47.36
DVMT 2004 1000s	112.91	284.53	
DVMT/Mile	3,422	8,562	6,752
DVMT 2004 1000s	112,912	284,530	319,760
Police Service Calls FY 03-4	2947	8958	
Calls per 1,000	281.36	746.31	1,042.04
Assessed Valuation FY 05-06	\$1.197,462,599	\$1,333,655,678	\$3 189 870 345

## Attachment 5 -

## GST Consulting Peer Review Report



June 26, 2006

Via Electronic Mail

Joyce Crosthwaite, Executive Director Orange County LAFCO 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701

RE: Rossmoor Future Governance Options Preliminary Report

Dear Joyce,

Pursuant to your request, attached is my analysis of the subject report and its conclusions. Since this request was for a "peer review" only, with no significant analysis of the financial, demographic or service level data to be performed, I have assumed in general that the assumptions made based on the data provided are reasonably correct. However, as is noted in my analysis, I have identified areas where I disagree with the application of the data assumption, and some of the resulting conclusions.

Please feel free to call me for any further information or clarification.

Sincerely,

Gary Thompson

## Rossmoor Future Governance Options Analysis of Conclusions

#### Introduction

This review looks at the four governance scenarios as identified in the Rossmoor Future Governance Options Preliminary Report (Report) developed by the Rossmoor Planning Committee. Included in the Report is a preliminary financial analysis for the annexation and incorporation scenarios prepared by Burr Consulting and Economic & Planning Systems, Inc. The four scenarios in the report and reviewed below are:

- Expansion of the existing Rossmoor Community Service District
- Incorporation into a city
- Annexation to Los Alamitos
- Annexation to Seal Beach

This review only looks at the data assumptions made and conclusions drawn in the Report, from the standpoint of the reasonableness of the assumptions and the conclusions based on the data provided. It should be noted that as acknowledged in the Burr/EPS financial analysis itself, the data and information utilized for their analysis is not specific enough to allow their analysis to be substituted for a more comprehensive analysis of a specific option. This is significant when reviewing the Report and the conclusions made.

#### **General Comments**

The Report indicates that all scenarios are financially feasible, with the exception of annexation to Los Alamitos (unless AB 1602 is implemented). This review found no significant issues with the Seal Beach Annexation scenario, nor the RCSD Expansion scenario, excepting that the RCSD Expansion scenario should only be considered as a short term solution until such time as a determination is made as to the final long term governance of the community.

However, this review has determined that deficiencies exist in the assumptions made with respect to Incorporation that would render this option infeasible without sizeable revenue enhancement beyond the new Utility Users Tax already contemplated, in particular if AB 1602 is not implemented. And with respect to the feasibility of the Los Alamitos annexation (assuming AB 1602 fails), the net effect on the overall city's General Fund is manageable, and certainly within a reasonable margin that could be mitigated fully through the Property Tax Exchange Agreement that would be negotiated with the county.

The Report makes an incorrect assumption that once an area is designated into a Sphere of Influence, it would preclude pursuit of any other option for the community for at least five years. This assumption is incorrect. Designation into an SOI of a city does not preclude that community from pursuing any other option, including expansion of an existing CSD, incorporation, or annexation into another adjoining city.

#### **Annexations**

The Report correctly concludes that either annexation will result in achieving a greater economy of scale of service provision, and a lesser financial and operational risk, than would be achieved under incorporation. The Report also correctly concludes that by being part of a larger city through either annexation to Los Alamitos or Seal Beach, the community would gain greater influence over regional issues than as a smaller incorporated city.

## Rossmoor Future Governance Options Analysis of Conclusions

The Report concludes that there would be a "loss of identity as a result of annexation". Although there may be a perception by the residents of such, experiences of existing cites, including recent annexations, refute that perception. Newport Beach is a good example of a city that has distinctly different "communities" within (Balboa, Balboa Island, Corona Del Mar, etc.), and has recently annexed a new community with a distinct community identity that has been retained (Newport Coast).

The Report's accompanying financial analysis makes assumptions of city staffing cost increases for Administrative, City Clerk and City Manager under both annexation scenarios. Although some increase in staffing in these areas may be necessary, the levels anticipated in the Report's financial analysis appear excessive.

The Report indicates that under annexation to Los Alamitos, an automatic \$105 per household "special tax" will incur to the community if AB 1602 is not implemented. This is to make up the assumed deficit that is reported in the financial analysis. Although that is an option available, it is incorrect to assume that any deficit would be made up by a special assessment. Further, any assessment not already levied by the annexing city, would require a vote under Prop 218. As such, the Report's conclusion that this would be an automatic requirement is incorrect.

The Report indicates in a statement attributed to city staff, that Seal Beach will not annex the community. If that is the current policy of the city council, a future city council may decide otherwise. As such, no conclusion should be drawn by any reference to preference of annexation.

#### Incorporation

In general, many of the assumptions utilized for projecting revenues and costs to the community are based on per capita ratios to countywide data. As such, a large margin of error will exist when computing projected revenues and expenses. It should be concluded that the very narrow projection of feasibility for incorporation, given the lack of quantified data specific to the community would place this incorporation at risk.

The Report's accompanying financial analysis fails to address the requirement for the new city to establish a Maintenance of Effort (MOE) expense from the General Fund in order to receive the Measure M turn back funds. This MOE is calculated based on the city's amount of anticipated Measure M annual revenue and must be expensed from the General Fund. Although, exact calculations would have to be generated, this amount would negatively affect the slight General Fund projected surplus.

The Report's accompanying financial analysis assumes that the Planning Director and Parks & Recreation Director would be part time positions, with their total time equaling one FTE. It is unlikely that this would be the case as this level of management would generally be a full time city employee for each department. As such, the General Fund outlay for the projected city staffing is understated by one FTE representing approximately \$100,000 in annual salary and benefits, further negatively affecting the projected General Fund surplus.

The Report's accompanying financial analysis shows revenues for Intergovernmental Transfers. These are usually restricted revenues such as grants, etc. The financial analysis does not reflect any costs associated with these revenues, thus the overall projected expenses appear to have been understated. This further negatively affects the projected General Fund surplus.

#### **Rossmoor Future Governance Options**

#### Analysis of Conclusions

There is no discussion of the impact of Revenue Neutrality in the Report or accompanying financial analysis. Every city in California that has incorporated since the implementation of Revenue Neutrality has had to negotiate mitigation agreements with their county. There is good reason to believe that this will be the case under this scenario. Lacking specific data to approximate the prospective Revenue Neutrality liability, the impact cannot be quantified. However, given the nature of the questionable viability of the incorporation scenario as it stands, Revenue Neutrality will most certainly exacerbate the problem.

This scenario relies heavily on revenue enhancement through imposition of a Utility Tax which would have to be voted upon during the incorporation vote under Prop 218 requirements. The amount of the UT would be somewhat dependent upon a successful passage of AB 1602 which will restore a portion of the VLF backfill to new cities. However, the revenue enhancement requirement is significantly understated given the analysis of the above expenses that have been determined to be deficient.

There are inherent risks and disadvantages of a city this small. Economies of scale gained are minimal compared to annexing to either adjacent city. Vulnerability to negative economic or legislative pressures on city revenues, coupled with the lack of a more diversified revenue stream (minimal sales tax), with no absorption capacity, increases the risk of feasibility for this incorporation.

#### **RCSD Expansion**

The Report indicates that expansion of the RCSD may not require additional taxes. This is only true pending negotiation with the county over revenues associated with services transferred. In particular, it is unlikely that the county would transfer sufficient revenues for the RCSD to assume the law enforcement contract outright at the existing service level.

#### **General Conclusions**

Annexation to either city is financially feasible. Annexation to Seal Beach versus Los Alamitos is the stronger of the two financial options. However, given documented community of interest factors, and the lesser impact of servicing transitions, Los Alamitos might serve to be better suited for annexing the community.

Incorporation as a new city is highly risky, and certainly not feasible unless significant permanent revenue enhancements are implemented. Although a Utility User's Tax is the most common form of revenue enhancement, other avenues exist as well, including parcel taxes, special assessments for specific service provision, etc. All of these enhancements require voter approval under Prop 218.

Expanding the RSCD while accepting designation into an SOI for potential future annexation may be the best option for the community to pursue at this time. The short term effect will be to increase services where the community determines is lacking while planning for long term governance.

### Attachment 6 -

## Comment Letter from the City of Seal Beach (June 26, 2006)

## City of Seal Beach



June 26, 2006

Orange County Local Agency Formation Commission Attn: Joyce Crosthwaite, Executive Officer 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701



LOCAL AGENCY FORMATION COMMISSION

Dear Ms. Crosthwaite:

SUBJECT:

NEGATIVE DECLARATION - SPHERE OF INFLUENCE UPDATE FOR CITY OF SEAL BEACH (SOI 05-32)

Our staff has previously reviewed the proposed Negative Declaration as referenced above, and is in concurrence with the determination being evaluated in the subject Negative Declaration that "LAFCO is recommending that the City of Seal Beach sphere of influence be reaffirmed as conterminous with the City's existing jurisdictional boundary." This position is based on our stated letter positions of August 5 and September 8, 2005 regarding the recent Municipal Service Review process that all of the impacted agencies participated in with LAFCO in the early part of 2005. The City commented by letter on February 27, 2006 on the Negative Declaration matter.

The City Council has also reviewed the "Preliminary Report - Rossmoor Future Governance Options", including a supporting report, "Rossmoor Governance Alternatives: Fiscal Impacts" prepared by Burr Consulting, dated June 8, 2006. It is the opinion of the City of Seal Beach that the Rossmoor governance documents referenced above are unclear and too speculative for the City to rely heavily on and feels that many of the assumptions and parameters regarding the projection of revenues and expenditures that would be generated by any of the above-mentioned alternative governance scenarios is insufficient to make any type of an informed decision. Therefore, Seal Beach again wishes to support its concurrence with LAFCO staff "that the City of Seal Beach sphere of influence be reaffirmed as conterminous with the City's existing jurisdictional boundary."

Mr. Lee Whittenberg, Director of Development Services, will be in attendance at the July 12 Commission meeting on this matter to present the positions stated in this letter and to be available to respond to any questions that Commission may have.

City of Seal Beach Comment Letter re: Proposed Negative Declaration — City of Seal Beach Sphere of Influence Update June 26, 2006

If you have questions prior to the July 12 Commission meeting, please contact our City Manager, John Bahorski, at your earliest convenience if you require additional information. Mr. Bahorski can be reached at (562) 431-2527, extension 300, or by e-mail at <a href="mailto:jbahorski@ci.seal-beach.ca.us">jbahorski@ci.seal-beach.ca.us</a>. In addition, if you have questions of Mr. Whittenberg, he can be reached at (562) 431-2527, extension 313, or by e-mail at <a href="mailto:lwhittenberg@ci.seal-beach.ca.us">lwhittenberg@ci.seal-beach.ca.us</a>.

Sincerely,

John Larson, Mayor City of Seal Beach

JOHN LARSON

Distribution:

Seal Beach City Council

Seal Beach City Manager

Seal Beach Director of Development Services